



Cornish Lithium
DRIVING THE ENERGY TRANSITION

Annual Report & Financial Statements

Year ended 31 December 2024
Cornish Lithium Plc: Company number 10205021





Company information

Directors

J B E Wrathall	(Executive Chairman)
V B Gokool	(Chief Financial Officer)
J Blas	(Non-Executive Director)
I D Cockerill	(Non-Executive Chairman – resigned 24 February 2024)
S Gardner-Bond	(Non-Executive Director)
A J Howard	(Non-Executive Director – resigned 3 December 2024)
K S Liddell	(Non-Executive Director – appointed 28 February 2024)
J Raymond	(Non-Executive Director)
G M Steven	(Non-Executive Director – appointed 3 December 2024)
D J Castle*	(Non-Executive Director)
J R Whiteside*	(Non-Executive Director)

Company secretary

Q Hussain

Registered number

10205021

Registered office

**Tremough Innovation Centre
Penryn
Cornwall
TR10 9TA**

Independent auditor

**PKF Francis Clark
Lowin House
Tregolls Road
Truro
Cornwall
TR1 2NA**

* D J Castle and J R Whiteside are alternate directors for S Gardner-Bond and G M Steven (previously A J Howard) respectively. Alternate directors are appointed under the Company's Articles of Association and solely act as substitutes for principal directors should the principal director be unavailable to attend a Board meeting.

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Executive Chairman's statement

I am pleased to report on another year of excellent progress for Cornish Lithium. As set out below, a number of key milestones were achieved in 2024 and I look forward to working with the whole team to deliver the goals we have set ourselves for 2025.

Firstly, I am delighted to take up the position of Executive Chairman and to welcome Jamie Airnes as Cornish Lithium's new Chief Executive Officer, who joined the Company in mid-April. Jamie is an experienced operational leader with a strong track record in project delivery and business growth. Spending most of his career in the upstream oil and gas industry, working internationally with both large corporates and start-up organisations. He brings extensive knowledge of project delivery and experience working with regulators and local communities.

Jamie will help us deliver our vision for maximum growth and augment our strategic focus on unlocking the potential for lithium extraction from geothermal brines, whilst I will focus on overseeing corporate strategy. This will include continuing my close work with external partners, leading media and industry communications, and steering the senior leadership team.

From a start-up in 2016 to now being a nationally recognised leader in critical mineral extraction, extending our senior leadership team is a natural progression and demonstrates just how far we have come - and the significance of the opportunities that lie ahead.

This is an incredibly exciting time for Cornish Lithium.

Hard Rock Project

In October 2024, Cornish Lithium opened the UK's first low-emission, lithium hydroxide Demonstration Plant at the Trelavour Hard Rock Project, marking a significant milestone in the Company's development. The £10million Demonstration Plant facility will be used to produce battery-grade lithium hydroxide samples from the granite extracted from a former china clay pit utilising the low energy extraction technology we carefully selected. The Demonstration Plant comprises a concentrator plant and a hydrometallurgical plant located adjacent to each other. The concentrator plant has now been commissioned and has successfully



produced concentrated ore at the required grade. Commissioning of the hydrometallurgical plant continues, with first hydroxide samples expected in autumn 2025.

Once in commercial production, the Trelavour Hard Rock Project is expected to produce 10,000 tonnes of lithium hydroxide annually, which will considerably strengthen the UK's critical minerals supply chain and reduce the UK's reliance on importing carbon-intensive materials from abroad. The project is expected to create approximately 300 jobs on site and generate up to £800million for the Cornish economy over its 20-year life.

Another major milestone for the Company was achieved in September when the UK Government granted a Section 35 direction that the Trelavour Hard Rock Project is of national significance and is to be treated as development for which development consent under the Planning Act 2008 is required. This development marks an important step towards securing the domestic supply

of lithium that the UK needs to develop the nation's battery industry, sustaining the competitiveness of British automotive manufacturing and accelerating the country's transition to renewable energy. Jonathan Reynolds MP, Secretary of State for Business and Trade, said: "This is great news for Cornish Lithium, and will not only support high-skilled jobs in the South West but give a major boost to our critical minerals supply chains for the long term."

The Company's Feasibility Study for the Trelavour Hard Rock Project, managed by Ausenco Engineering Canada, is expected to be completed by the end of 2025.

As announced in May 2025, the Company has purchased a suite of patents and intellectual property (IP) developed by the former Lepidico group of companies. As a result Cornish Lithium now owns sole rights to the process IP and associated patents of the lithium extraction process, and intends to licence this technology globally under its own brand. We are excited by the potential for this technology to unlock other lithium projects around the world and provide an additional business opportunity for the Company.

Community engagement remained a high priority throughout the year, marked by the opening of a new visitor centre at the Trelavour Demonstration Plant site and the establishment of a community liaison group to build stronger connections with local stakeholders.

Geothermal projects

As part of the Company's portfolio of geothermal projects, an application was submitted to Cornwall Council for planning permission to develop a new state-of-the-art lithium facility at Cornish Lithium's Cross Lanes Project, near Chacewater. We were delighted to receive approval from Cornwall Council in February 2025, which was testament to the hard work of the geothermal team.

The successful planning application followed two years of positive test results from an exploration borehole drilled at the site by Cornish Lithium, establishing that lithium-enriched geothermal waters circulate naturally within permeable structures underlying the area. Planning consent for the facility will enable Cornish Lithium to demonstrate the viability of commercial lithium extraction at the site.

The proposed development at Cross Lanes consists of two new 2,000-metre-deep boreholes with an associated geothermal lithium extraction plant on the site. Following an initial demonstration phase, one borehole will be used to extract lithium-enriched geothermal waters, while the second will be used to reinject lithium depleted water to source. Assuming a successful demonstration phase, the Company will then move to construct a commercial scale direct lithium extraction (DLE) plant at the site.





In the future, the Company also expects to harness heat from the same geothermal waters to provide heating for local homes and businesses.

Cornish Lithium has also made progress at other sites in Cornwall, including drilling an exploration hole at Tolgus near Redruth and two boreholes at Besore Farm near Threemilestone, Truro.

We have also made great progress in evaluating suitable DLE technologies as well as defining our geothermal process flow sheet for the Cross Lanes Project. Whilst we are in the final stages of selecting our preferred DLE technology for Cross Lanes, we plan to continue to evaluate cutting-edge environmentally responsible DLE technologies as well as a number of concentration technologies to ensure we have the optimum flow sheet for our future plants.

Proactive community outreach and consultation on geothermal projects has continued throughout the year, featuring a variety of events designed to engage stakeholders – including local communities, businesses and authorities, as the projects progress.

Corporate developments

In October 2024, the Company published its Policy Manifesto, outlining how and why the UK must secure domestic supplies of sustainable lithium, rather than

relying solely on imported material. This comprehensive report was the result of detailed research and extensive consultations with industry leaders, policymakers, MPs and sustainability experts.

The Manifesto calls on the Government to make three high-impact and cost-free policy changes that are expected to deliver growth nationwide:

- Set a UK extraction target of 50,000 tpa (tonnes per annum) of lithium carbonate equivalent from domestically sourced raw materials per year by 2030;
- Ensure that the regulatory and policy landscape is focused on delivering the new UK domestic production target; and
- Establish a traceability standard that will future-proof our ability to use and trade lithium produced in the UK.

Cornish Lithium also formed a new partnership with HELM AG, through its subsidiary LevertonHELM Limited, to further develop a lithium supply chain in Europe. The agreement, formalised through a Memorandum of Understanding, sets out plans to collaborate on producing battery-grade lithium compounds from Cornish geothermal brines. LevertonHELM, a UK-based producer of speciality lithium chemicals, will work alongside Cornish Lithium to advance the production of battery grade lithium chemicals.

The Company has further strengthened its Board with the appointment of Gary Steven as a Non-Executive Director. He joins the Board as a representative of the National Wealth Fund ("NWF"). Former director and representative of the National Wealth Fund, Adam Howard stepped down from the Board following his appointment as Chief Financial Officer at Invinity Energy Systems and we wish Adam every success in his new role. NWF, owned by HM Treasury, is a key investor in Cornish Lithium, alongside TechMet and The Energy & Minerals Group ("EMG").

Former Director, Keith Liddell also rejoined the Board as a Non-Executive Director, bringing a wealth of knowledge of mineral extraction techniques and management of mineral projects worldwide.

Community engagement remained a key priority throughout the year, with the Company's outreach team actively participating in a diverse range of local and national events, such as exhibitions, presentations, coffee mornings, and career fairs. Cornish Lithium awarded £17,310 to 11 organisations through its Summer 2024 Community Fund, established in collaboration with the Cornwall Community Foundation. The Cornish Lithium Community Fund supports the work of local clubs, charities and activity groups that seek to make a positive difference in the Gwennap, Blackwater, Chacewater, St Day, Carharrack and china clay areas where the Company's projects are located. Recipients of grants from the 2024 Autumn Community Fund were announced later in January 2025.

Annual General Meeting

The Cornish Lithium Annual General Meeting ("AGM") will be held in the Sennen Suite at the Tremough Innovation Centre, Penryn, Cornwall TR10 9TA on 27 June 2025 at 10:00am. We welcome all shareholders to attend.

In addition to voting to receive and consider the financial statements for the year ended 31 December 2024, the Company has put forward all the Directors for re-election in accordance with the Company's Articles of Association.



Outlook

As we start the new year, I believe we are in our strongest position yet, thanks to the passion and dedication of our hardworking colleagues who share my vision for lithium extraction in Cornwall, supporting a strong supply chain for battery production in the UK.

2025 will be an exciting year for Cornish Lithium as we:

- Deliver the Feasibility Study and commence the consultation phase of the planning process for the Trelavour Hard Rock Project;
- Produce our first lithium hydroxide samples from the Demonstration Plant; and
- Commence drilling our first production diameter doublet of geothermal wells at our Cross Lanes project.

The recent slowdown in growth of EV sales in Europe and the US caused by the current macroeconomic headwinds of low economic growth, inflation and trade wars has resulted in lithium prices remaining at levels below those needed to incentivise the supply necessary to support global net zero ambitions. As a result, such prices cannot be expected to endure, with many market commentators expecting a significant price response towards the end of the decade; coinciding with when we plan to bring our projects into production.

We are fortunate to enjoy the support of the Government at both a national and regional level, as demonstrated by funding from the National Wealth Fund, the award of Nationally Significant status to Trelavour and the receipt of planning permission for our Cross Lanes Project.

We look forward to the publication of the long-awaited UK Industrial Strategy by the Government. We continue to believe that a domestic primary production target of 50,000 tonnes per annum of lithium carbonate equivalent is achievable by 2030 and we urge the Government to adopt this as part of its Industrial Strategy along with the planning reform needed to accelerate the construction of new lithium extraction projects. With the right policy support from the Government we believe the UK has the opportunity to position itself as a European leader in this space and, as such, this is an opportunity we must not waste.

Finally, I would like to thank our management team, employees, local stakeholders and my Board colleagues for their continued efforts and commitment to realising the significant potential of the Company for the benefit of Cornwall and the UK as we transition towards a Net Zero future.

Jeremy Wrathall
Founder and Executive Chairman

Board of Directors



Jeremy Wrathall Founder & Executive Chairman

Jeremy has over 30 years of experience in the mining finance industry and has advised mining companies on transactions globally.

Following his graduation in Mining Engineering from the Camborne School of Mines in Cornwall, he spent three years working as a mining engineer in the South African gold mining industry. Jeremy then pursued a career in mining investment banking in London which included senior roles at global investment banks, including his most recent role as Global Head of Natural Resources – London at Investec Bank plc.

He has advised on transactions on all of the world's major mining exchanges and has served as a non-executive director of mining companies listed on AIM and on the ASX stock exchanges. Jeremy is a Fellow of the Institute of Materials, Minerals and Mining.

Having founded Cornish Lithium in 2016, Jeremy decided to fully focus on the company and left his career in investment banking in March 2017.

Varshan Gokool Chief Financial Officer & Executive Director

Varshan has over 20 years of experience in guiding TSX and AIM listed mining companies from project definition through to development and construction across a number of international jurisdictions.

Following his graduation from the University of Cape Town, South Africa, he has worked on both the investment banking and corporate sides of the mining industry during which time he has arranged and led over US\$1.5 billion of funding transactions across the entire capital structure from equity to senior secured project finance debt for mining projects. He was most recently President and CEO of Euromax Resources Limited where he led the development of the Ilovica-Shtuka Copper Gold Project in North Macedonia from inferred resource to definitive feasibility study. Prior to Euromax, he led and implemented the financing strategy of European Goldfields Limited which owned, developed and operated copper, gold, lead and zinc mines in Greece and Romania.

Varshan is a Charterholder of the Chartered Financial Analyst Institute.





Janet Blas

Independent Non-Executive Director

Janet is currently Chief Financial Officer and Executive Director of Bacanora Lithium, which was acquired by Ganfeng Lithium in December 2021 for approximately £275 million. She also currently serves as an independent Non-Executive Director of Gem Diamonds, a London listed producer of high value diamonds. Janet is a certified public accountant who has held a number of senior financial roles including Group Chief Financial Officer and Executive Director of Gemfields, where she played a key role in the formulation and implementation of the group's growth strategy. In addition, Janet managed Gemfields' preparations for a London Stock Exchange Main Market listing.

Prior to Gemfields, Janet held a number of senior finance positions with ENRC including a key role on ENRC's IPO on the Main Market of the London Stock Exchange with the company joining the FTSE 100 index. Previously, Janet was part of the Audit and Assurance Services team at Ernst & Young in London and PWC in the Philippines.

Simon Gardner-Bond

Non-Executive Director

Simon is TechMet's Chief Technical Officer and has had a 20-year career as a geologist, metals & mining analyst, and equity investor. Prior to joining TechMet

Simon has undertaken both buy side and sell side roles for firms including Investec Asset Management, Peel Hunt and Ocean Equities. He has an M.Sc. in Mineral Deposit Appraisal (Mineral Exploration) from the Royal School of Mines together with a B.Sc. (Hon.) in Geology and Physical Geography from the University of Liverpool.



Gary Steven

Non-Executive Director

Gary has 20 years finance experience gained at a number of different institutions including banks, an infrastructure fund and an asset manager and in a variety of roles including originating and structuring debt and equity transactions, ProjectCo directorship roles and managing debt and equity portfolios.

Gary is a director in NWF's Portfolio Management team where he is responsible for managing a diverse portfolio of debt and equity investments. Prior to NWF, Gary worked at BlackRock where he was responsible for overseeing the valuation of all BlackRock's infrastructure investments covering EMEA, North America and APAC.

Previous roles include Dalmore Capital where he sat on the board of a number of project companies representing the equity interest alongside managing a debt portfolio and numerous infrastructure related roles at Bank of Scotland and Lloyds Banking Group including originating and executing new debt and equity investments in the UK and European PFI/PPP sectors and managing portfolios of infrastructure assets through the construction phase and into operations. He also has experience of working out distressed and non-performing debt and equity portfolios.

Gary has a MA in Economics from Heriot-Watt University and a diploma from the Chartered Institute for Securities and Investments.

John Raymond Non-Executive Director

John is a Co-Founder and Co-CEO of EMG, a leading diversified natural resources-focused private equity firm. He is responsible for directing strategic and investment activities of EMG and managing its investment portfolio and day-to-day activities with EMG's Co-founder and Co-CEO John Calvert.



Prior to founding EMG in 2006, Mr. Raymond served in a number of senior executive management roles within the energy sector over a period of 14 years. These include his time as Chief Executive Officer of Plains Resources, Inc. ("Plains Resources"), a publicly traded company, from 2002 to 2004. Following the management-led buyout of Plains Resources in 2004, Mr. Raymond served as Chief Executive Officer of the successor entity, Vulcan Energy Corporation, from 2004 to 2005. In addition to his current role as Chief Executive Officer of EMG, Mr. Raymond serves on the boards of 25 companies, including public and private portfolio companies of EMG, as well as several companies not owned by or affiliated with EMG. Mr. Raymond graduated from the A.B. Freeman School of Business at Tulane University in 1992 with a B.S.M. with dual concentrations in Finance and Accounting.



Keith Liddell Non-Executive Director

Keith is an experienced metallurgical engineer and resource company director. Working exclusively in the minerals industry since 1981 he has experience in management and ownership of a number of public and private businesses and joint ventures with a variety of participants. He has financed and brought into production mines in Africa, Australia and China. Through Lifezone Ltd, Keith is primarily focused on developing and marketing the Kell Process, which he conceived and patented. He has a number of international patents in his name and is the author of more than 20 technical and industry review papers.

Keith has also been involved in exploration for gold, platinum group metals and nickel in China and Australia, the development of an open pit, heap leach copper SX-EW mine in Australia, and exploration and production of fluorite in South Africa and Australia. He is chair of Colomi Singapore Ltd and a director of Lifezone Ltd and its licensee companies KellTech Ltd and Kelltechnology South Africa Pty Ltd.

Business model and strategy

Cornish Lithium Plc (the “Company”) and its subsidiaries (“Cornish Lithium”, the “Group”) is developing a commercially robust and environmentally responsible extraction industry in the UK for those minerals that can contribute to the global goal of decarbonisation through clean growth and a transition to a green economy. To deliver this purpose, Cornish Lithium’s strategy centres around four main pillars:

Project identification and development

Cornish Lithium takes a data driven approach to mineral exploration. Our team acquires, efficiently processes and digitally models data from historic mining archives and modern sources: aerial surveys, satellite imagery, drone data and geological mapping and sampling by our geologists. We are continually expanding our existing data set and building a detailed 3D digital model of the geology, mineralisation and structures of South West England.

Our Intellectual Property lies in these detailed digital models, and our team’s interpretations of these. This enables us to efficiently delineate field and drill targets for testing and to develop projects in a responsible manner.

Innovation and collaboration

Cornish Lithium uses innovative techniques and digital technology to explore for, discover, and ultimately extract, lithium and other battery metals.

Close partnerships with industry and academia enable us to stay at the forefront of advances in mineral exploration, extraction and development processes and technologies. We have a close working relationship with local universities: Camborne School of Mines (University of Exeter) and the University of Plymouth, as well as other research collaborations nationally. In parallel, industry partnerships in areas such as mineral extraction technologies are allowing us to expedite our project development. We are partners on a range of grant-funded research projects, which enable us to formally collaborate with industry and academia to develop the battery supply chain in the UK and Europe.

Our agreements with mineral rights holders across Cornwall provide us with first mover advantage in the county, and also grant us access to important private

mining archive material that helps us to deliver our exploration programme.

Cornish mining has been designated a ‘High Potential Opportunity’ by the Department for International Trade and critical minerals is a distinctive opportunity in Cornwall Council’s Industrial Strategy. In addition, Cornish Lithium’s Trelavour Hard Rock Project has been designated a nationally significant project by the UK’s Government. As a result, we receive strong support from both local and national government.

Clean and sustainable growth

As vital components of batteries used for electric vehicles and energy storage, the potential opportunity to extract metals such as lithium, tin and cobalt in Cornwall could represent a significant strategic advantage for the United Kingdom.

These critical metals must be extracted responsibly to ensure the sustainability of our local environment and we believe in investigating innovative techniques to assist in this goal. One such example is the opportunity to co-produce low carbon lithium and renewable heat energy from geothermal waters.

We aim to incorporate circular economy and systems thinking within our business model to maximise the sustainability of our activities and surroundings for the benefit of our stakeholders. As an example of this approach, we are continuously looking at ways of minimising and/or reusing waste.

People and place

Cornish Lithium is proud to be Cornish and British, and always aspires to act with integrity and transparency. We wish to build a sustainable and responsible extraction industry in Cornwall, for the benefit of Cornwall and the wider UK. Our relationship with the local Cornish community is very important to us, and we have an active outreach programme to keep people informed of our progress, and to encourage engagement.

Our business is centred on people: our staff and our community are very important to us, and we strive to look after both responsibly. We recognise that a diverse and talented workforce is a competitive advantage and that the Company’s success is the result of the quality and skills of its people.

Corporate governance

Advisory Board

Alverne Bolitho, Kate Harcourt and Kate Holborow were appointed to the Advisory Board of Cornish Lithium in February 2023 for an initial term of three years with the option to extend for a further three. All have extensive professional experience working in various fields over their careers. Kate Harcourt has worked within the mining industry for over 30 years across several continents with a focus on sustainability. Kate Holborow is the founder of a nationwide PR and communications consultancy, is a Deputy Lieutenant of Cornwall and has very detailed knowledge of the County. Alverne Bolitho was born and raised in West Cornwall and has operated in the City of London since 1987.

The role of the Advisory Board is broad but with a focus on meeting with, reporting to and advising the Executive Committee on a range of issues around the Company's role and responsibilities to local communities, environmental matters and external communications. The Advisory Board regularly meets with key outward facing staff members in these sectors. They also provide an important source of information from the non-mining community and are delighted to originate introductions and act as ambassadors for the company in the wider worlds in which they operate.



not satisfied with any aspect of the financial reporting and internal controls of the Company. The Audit Committee also oversees the relationship with the external auditor function and has the power to advise the Board on the auditor's fees, the quality of work or if the Company should re-tender the service.

Remuneration Committee

The role of the Remuneration Committee is to review the Group's remuneration policy on a periodical basis to ensure its continued appropriateness and to recommend to the Board the remuneration (comprising salaries, annual bonuses and share awards) of Company's Chair, executive director and leadership team. In determining the appropriateness of the remuneration policy, the Committee considers factors including the need to attract, retain and motivate management of the quality needed to run the Company to achieve its long-term strategic goals. The Committee also reviews pay and employment conditions across the company. In doing so the Committee endeavours to ensure executive director and leadership team remuneration is proportionate and aligns with our Company's culture.

Audit Committee

The Audit Committee has the role of monitoring the integrity and effectiveness of i) the Company's financial reporting; and ii) the Company's risk management and internal control framework. In fulfilling its role, the committee has a duty to report to the board where it is

Nominations Committee

The Nomination Committee has the role of regularly reviewing the structure and composition of the Board, ensuring it has the right balance of knowledge, experience and diversity to support the Company in achieving its strategic goals. The Nomination Committee is also responsible for reviewing the succession planning needs of the Company and how any future appointments and succession, should help the Company progress and continue to deliver its strategic objectives. In carrying out its duties, the Nomination Committee helps maintain governance and transparency when appointments are made to the Board and other board committees.

Principal risks and uncertainties

Business risks

1. Technological uncertainties

The Group intends to use innovative technology in its hard rock and geothermal projects. This technology has yet to be used in large-scale mineral production. There is the risk that this technology will not work as intended or will be unable to produce a suitable specification for a saleable product.

Mitigation

The Group's lithium extraction processes for both the hard rock and geothermal projects continue to go through a rigorous process of refinement and enhancement. During 2022, commercial samples of lithium hydroxide were produced from concentrated Trelavour ore at Strategic Metallurgy's pilot plant in Perth, Australia. A demonstration scale plant has now been constructed and is currently being commissioned and evaluated. Lithium carbonate has been successfully produced from geothermal waters at a lab scale. This work is ongoing given the rapid rise in available technologies for Direct Lithium Extraction (DLE).

The Group is currently conducting a Feasibility Study on its hard rock project at Trelavour, and intends to use the newly-constructed demonstration plant to produce commercial samples of lithium hydroxide as well as the associated by-products for potential off-take partners.

A similar approach will be undertaken for our geothermal projects where the pilot plant at United Downs has been used to test various DLE technologies alongside other processing technologies such as reverse osmosis. The Company has finalised the selection of the processing technologies we will use at a demonstration scale plant to be constructed at Cross Lanes Farm in Chacewater. The Company has recently received planning permission from Cornwall Council for the demonstration site and is aiming to commence drilling of production diameter boreholes in late 2025.

2. Ongoing funding requirements

In August 2023 the Company secured a landmark £53.6m funding package from the National Wealth Fund ("NWF", formerly known as UKIB), EMG and TechMet. This funding was closely followed by a hugely successful



2. Ongoing funding requirements (continued)

crowdfunding campaign which raised an additional £5.1m, from both new and existing shareholders. Whilst this funding has enabled the Company to achieve a number of key project milestones, additional funding will be required to ultimately build the Trelavour Hard Rock Project and the geothermal demonstration plant. Despite having obtained equity financing in the past, the Group cannot guarantee that it will secure sufficient financing in the future or that such financing will be on favourable terms to the Group and its shareholders.

Mitigation

The Group maintains its engagement with existing and potential investors to provide long-term support for its projects. As the Group progresses, it will continue to seek additional funding, such as debt financing, offtake investment, royalties, grants, or governmental funding. In addition, the financing secured in August 2023 was part of a larger funding package of up to an additional US\$210m (c.£168m) potential second stage financing which can be made available to the Group at the option of the investors.

3. Lithium prices fall to an extent that impacts the commercial viability of the group's projects

During 2022, the price of lithium hydroxide reached a high of approximately US\$80/kg. The price has fallen back significantly since and is currently at US\$9-10/kg. Whilst market commentators expect the price to strengthen over the next 24 months and rise significantly out towards 2030, the price could fall further if more supply lines come on stream, or if global demand weakens.

Mitigation

Management maintains a cautious long-term outlook on commodity prices and assumed a long-term lithium hydroxide price of US\$20/kg in the scoping study for its Trelavour project and for its internal project models.

4. Change in battery technology

It is not certain that lithium-ion batteries will continue to be the leading technology in the battery market, including electric vehicles. Other technologies such as solid-state batteries, hydrogen fuel cells, sodium-ion batteries and others have been advancing and may potentially impact demand for lithium.

Mitigation

Management is confident that lithium-ion will remain the favoured technology for battery and car manufacturers for the foreseeable future with many of the other battery chemistries listed above yet to be

produced at a commercial scale. With the UK committing to ambitious carbon emission targets, including the banning of sales of new diesel and petrol-powered vehicles by 2030 and sales of hybrid cars by the end of 2035, management believes it is unlikely that alternative technologies will be suitably advanced to make lithium battery alternatives commercially viable in time to meet the government's target.

5. Legal title and mineral rights

In the UK, legal title to minerals (other than gold, silver, coal, petroleum and its hydrocarbons and natural gas) is not held by the state but was, historically, held by certain landholders who, subject to such rights having not been validly transferred to a third party, have the theoretical right to exploit any mineral on their property to the centre of the earth ("Mineral Rights").

It has become common however, for some landholders to split the ownership of Mineral Rights from the ownership of the surface land area, with many landholders reserving Mineral Rights in, on or under their land when the surface has been sold. Often this results in the Mineral Rights being bought and sold separately from the surface.

Ownership of Mineral Rights is capable of being registered at the Land Registry, but it is not currently legally necessary for Mineral Rights to be registered at the Land Registry to evidence legal title to the same. As a result, establishing the ownership of Mineral Rights in Cornwall is complex. Where Mineral Rights are registered at the Land Registry, the applicant for registration may be unable to show a complete history of the devolution of the Mineral Rights and any prior dealing with them so that registration is only effective subject to any prior interests which may exist at the date of entry on the register.

Even if Mineral Rights are registered with a good, as opposed to a qualified title, the identity of all the minerals comprised in the Mineral Rights may be unclear. Identifying the minerals that are the subject of the Mineral Rights may require construing and interpreting historical deeds and documents of grant or reservation, the meaning of which may be uncertain.

With respect to lithium in geothermal waters, the Company would expect to extract water from aquifers and reservoirs in the granite underlying Cornwall. It is not possible at this time (and may never be possible, even with geophysical information from exploration) to precisely identify the geographic area of the geological formations hosting the geothermal water.

There can be no assurance that the title of the Mineral Rights Holder granting a licence to the Company to exploit the minerals in an area will not be challenged as being insufficient to cover the area from which

5. Legal title and mineral rights (continued)

geothermal water is being extracted or whether in fact the Mineral Rights Holder, as opposed to the surface holder or any other party entitled to extract the water, has title to minerals dissolved in brines. These issues do not exist with the offshore rights acquired from the Crown Estates.

Mitigation

The Group has entered into a series of option agreements ("Option Agreements") and exclusivity agreements ("Exclusivity Agreements") with holders of certain areas of Mineral Rights, without analysing the individual title to each parcel of land held by the owner of the Mineral Rights ("Mineral Rights Holder"). For the reasons set out above, the position of any Mineral Rights Holder is inherently uncertain. While the Company will undertake a review of the legal title pertaining to the applicable Mining Rights before developing any project, there can be no assurance that the Mineral Rights in respect of any particular area will not be challenged.

With respect to the Trelavour Hard Rock Project, the mineral rights are owned by Rt Hon. Evelyn Boscowen, 10th Viscount Falmouth, of the Tregothnan Estate ("Tregothnan"). The Group has a right to the Tregothnan Mineral Rights pursuant to a long-term mining and exploration lease for the area owned by Tregothnan known as the Trelavour Downs Mine and Parkandillick.

Operational risks

6. Licensing and permitting

To build, develop, and operate its commercial operations, the Group will be required to secure additional environmental and technical permits. However, there is a potential risk that these permits, concessions, and licenses may not be granted. Furthermore, the approval and consent process may be prolonged, or granted with specific conditions that the Group may find challenging or unfeasible to fulfil.

Mitigation

The Group engages with prominent law firms and industry consultants to provide it with appropriate advice with regards to planning and permitting for its projects from the initial project design stage, not just at the time of submitting the planning application(s). In addition, the Company's Trelavour Hard Rock Project has been designated a Nationally Significant Infrastructure Project, which provides greater clarity in terms of the planning process for Trelavour and certainty in the context of our development timelines.

7. Personnel retention and recruitment

The Group's ability to reach the production phase is dependent on its ability to recruit and retain highly-qualified management, geological, technical and industry experienced personnel in Cornwall, UK.

Mitigation

Cornwall has a rich mining heritage, with several new and established mining businesses operating in the county. It is also home to the Camborne School of Mines. These factors mean there is wealth of expertise and talent in the local area. Cornish Lithium aims to recruit locally wherever possible and offers competitive remuneration packages. It aims to create long-term and rewarding jobs in the areas in which it operates. The Group also attends secondary schools and careers fairs as well as providing work experience placements and internships in order to demonstrate that Cornish Lithium and the mining industry in general can provide a rewarding long-term career.

In FY24 the Group made several key appointments at senior management level. Following the end of the year a new CEO was appointed with the previous CEO moving to Executive Chair.

8. Health and safety risk

Due to the utilisation of heavy machinery, mine sites (including drill sites) are inherently hazardous work environments. The incorrect handling of heavy machinery or the disregard of health and safety procedures, such as not wearing proper Personal Protective Equipment ("PPE"), can result in severe injuries or fatalities.

Mitigation

Safety is our first priority, and we are committed to promoting and maintaining a strong safety culture for all employees and contractors. We implement applicable UK health and safety standards rigorously, supported by our Health and Safety Management system which is developed in line with ISO45001 and international best practice.

We have a dedicated and experienced Health and Safety Manager who is a chartered member of the Institute of Occupational Safety and Health and is charged with driving improvements in our health and safety ("H&S") procedures to strengthen health and safety performance throughout the company. Following the determination of the current baseline, key H&S metrics and objectives have been established to inform the further development of the management system and company performance towards specific targets and continual improvement.

8. Health and safety risk (continued)

H&S training is provided for all employees and business partners comprising both internal training relevant to their role within the business and external courses including IOSH Managing Safely to provide a broader understanding of the role of effective health and safety management.

All staff receive risk assessment training to enable everyone to contribute to the identification and management of hazards within the workplace. All hazardous activities are risk assessed, with higher risk activities subjected to more detailed risk assessment using either Hazard and Operability ("HAZOP"), Layers of Protection Analysis ("LOPA") or Bowtie risk assessment techniques. Risk assessments are regularly reviewed to ensure that they remain relevant to the business activities and in line with best practice. Identified controls are implemented and checked at site level with regular inspections and verification programs to identify failures in the controls.

Health and Safety risk management is also aligned within the wider corporate risk management approach, which ensures that the Executive Committee has visibility of the key risks that require attention across the business, and this forms a key part of monthly management reporting.

Communication and governance of health and safety issues is managed through a series of Health and Safety Committees at site level that feed into a Group Health and Safety Committee which reports into the Board. The Group Health and Safety Committee is chaired by an Executive Committee member to ensure engagement throughout the Company.



ESG and sustainability risks

9. Local stakeholder acceptance

In order to move forward with its projects, the Group needs to obtain the backing and approval of the stakeholders in the local community. If the Group fails to foster this social license, it could severely hinder the progress of its projects.

Mitigation

Management is committed to meaningful engagement with the local communities in the areas in which it operates. Our relationship with the local Cornish community is very important to us, and we have an active outreach programme to keep people informed of our progress, and to encourage engagement. The Group hosts regular community engagement events to inform residents of planned works and to answer questions. Over the past year we have taken a number of actions towards our objectives including:

- Continuing to strengthen the ESG team both in terms of number and breadth of experience
- Further increased our outreach activities as our operational activity increases
- Maintained our sponsorship of and work with local charities in line with our charitable objectives (including the Cornwall Heritage Trust, Cornwall Wildlife Trust, Cornwall Community Foundation and the Cornish Seal Sanctuary)
- Hosting school visits and talks in schools and colleges to inspire the next generation
- Significantly grown the Company providing a significant number of jobs in Cornwall
- Providing work experience and internships for students

10. Environmental laws and regulations

The Group's current and future operations in Cornwall will be subject to environmental regulations at both local and national levels. These regulations encompass a range of environmental aspects, such as water discharges, air emissions, waste management, toxic material usage, and environmental cleanup. Environmental laws and regulations are constantly changing, and it is anticipated that the regulations governing the operations will become more rigorous over time.

Mitigation

The Group is committed to complying with environmental regulations and strives to make its hard rock and geothermal projects environmentally sustainable with low carbon emissions and minimal waste generation.



Financial review

The Group is in the exploration and development stage of its life cycle and is not expected to generate revenues until 2028 or later. It is therefore not expected to report overall profits until that time. As such, it does not currently have any financial key performance indicators.

During the year ended 31 December 2024, Cornish Lithium invested a total of £19.7m (2023: £15.0m) in tangible and intangible assets, primarily consisting of investments in exploration and evaluation assets as the Group progressed with the build of the Trelavour Hard Rock demonstration plant and continued with its Geothermal exploration work.

In line with the funding agreement signed in 2023, on 20 February 2024 the Group issued 80,764,442 preference shares amounting to \$20.5m (£16.2m) and on 1 November 2024 the Group issued 88,709,992 preference shares amounting to \$22.8m (£17.8m). The preference shares are convertible into ordinary shares in the parent company at a price of £0.20 per ordinary share which is based on the market price per share at the date of issue of the preference shares.

The preference shares are recognised as a liability in the Consolidated Statement of Financial Position (split between borrowings and derivative financial liabilities), with a total carrying value at 31 December 2024, of £49.0m (2023: £13.0m), which is presented net of £1.5m (2023: £2.2m) of unamortised transaction costs. Further details about the accounting treatment of the preference shares can be found in notes 18, 19 and 20 to the Consolidated Financial Statements.

In addition to the above, trade and other payables increased by £3.1m (2023: £2.6m) primarily driven by dividends accrued on the convertible preference shares. In total the Group's net assets decreased to £8.6m (2023: £22.3m).

The Group made a loss from operations of £11.4m (2023: £8.4m). The primary drivers of this increase are non-cash accounting entries such as charges in respect of share-based payments to employees (+£1.3m) and net foreign currency losses largely arising from the revaluation of balance sheet items denominated in a foreign currency amounted to £0.5m (2023: net gains of £0.02m).

Events after the reporting date

As announced in May 2025, the parent company, Cornish Lithium Plc, acquired the patents and intellectual property rights associated with the Lepidico processing technology. The consideration was wholly settled in cash and is not material to the Group. Prior to the acquisition the Group held a licence to use this technology, which was recognised as an intangible asset with a net book value as at 31 December 2024 of £1.7m.

This report was approved by the board and signed on its behalf.

V B Gokool
Director

4 June 2025

For the year ended 31 December 2024

The directors present their report and the Financial Statements for the year ended 31 December 2024.

Principal activity

The principal activity of the Company in the year under review was that of research and exploration activities relating to the identification and extraction of technology metals.

Results and dividends

The loss after tax for the year amounted to £16,239,544 (2023: £8,593,061). The directors do not recommend the payment of a dividend in the current or prior year.

Directors

The directors who served during the year were:

J B E Wrathall	(Executive Chairman)
V B Gokool	(Chief Financial Officer)
J Blas	(Non-Executive Director)
I D Cockerill	(Non-Executive Chairman – resigned 24 February 2024)
S Gardner-Bond	(Non-Executive Director)
A J Howard	(Non-Executive Director – resigned 3 December 2024)
K S Liddell	(Non-Executive Director – appointed 28 February 2024)
J Raymond	(Non-Executive Director)
G M Steven	(Non-Executive Director – appointed 3 December 2024)
D J Castle*	(Non-Executive Director)
J R Whiteside*	(Non-Executive Director)

* D J Castle and J R Whiteside are alternate directors for S Gardner-Bond and G M Steven (previously A J Howard) respectively. Alternate directors are appointed under the Company's Articles of Association and solely act as substitutes for principal directors should the principal director be unavailable to attend a Board meeting.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' report, the Consolidated Financial Statements and Parent Company Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. The Directors have elected under Company law to prepare the Consolidated Financial Statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The Parent Company Financial Statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice, comprising FRS 101 and applicable law.

The Financial Statements are required by law and international accounting standards in conformity with the requirements of the Companies Act to present fairly the financial position and performance of the Group and Company.

The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

Under Company law the directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period.

In preparing these Financial Statements, the directors are required to:

- Properly select and apply accounting policies;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the

financial position of the Group and Company and enable them to ensure that the Financial Statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- So far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware
- The director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's and the Group's auditor is aware of that information

Going concern

The Financial Statements have been prepared on a going concern basis which assumes the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.



The Group is still in the exploration and evaluation stage of its development and is reliant on equity funding to fund its testwork, development plans and operations including capital expenditure required to construct its development Projects. The Group is in the development stage of its life cycle with new, highly innovative and unproven technologies being developed to execute its business plan. There can be no assurance that the scale up of these technologies will be successful in the commercial context of the Group. Further detail on risks, uncertainties and how the Group mitigates them can be found in the Principal Risks and Uncertainties section of the Strategic Report. The adoption of the going concern basis of accounting requires significant judgement by management. The factors and evidence used in making this judgement are outlined below.

It is management's firm view that Cornish Lithium is a uniquely attractive prospect for investors. Cornish Lithium has made strong progress in de-risking its hard rock and geothermal projects. In addition the Trelavour Hard Rock Project has been designated a Nationally Significant Infrastructure Project, whilst it has also been granted planning permission to construct the UK's first direct lithium extraction demonstration plant at Cross Lanes. This progress combined with its extensive mineral rights portfolio which allows it unrivalled access to Cornwall's abundant mineral wealth and the backdrop of increasing global demand for battery-grade lithium, means that management are confident of the business' ability to raise sufficient funds which will allow it to execute its business plan over the short and medium term. The Group has a strong track record of securing financing from new and existing investors, as evidenced by the £53.6m funding agreement signed in 2023 and the successful completion of five rounds of crowdfunding.

The Board, which includes representatives from its institutional investors, has reviewed and challenged the completeness and accuracy of the Group's financial projections for the period to June 2026. This review

included the Group's current development plans and expenditures, forecast fixed overheads, commitments and existing cash resources which will be used to fund these expenditures.

In addition, management has modelled various scenarios to reflect the possible timings and outcomes of its current financing process. This exercise included modelling a 'stress-test' scenario which assumed an ongoing delay to the financing process. All of the scenarios modelled require the receipt of further cash funding in order to ensure the Company can meet its obligations for a period of at least 12 months from the date of approval of these Consolidated Financial Statements.

At the date of signing this report, the Group was in the process of negotiating term sheets to secure additional equity funding from existing institutional shareholders (the "investors").

The investors recognise the need for funding to be provided by September 2025 and in a sufficient amount in order for the Company to meet its obligations and continue with the proposed business plan. To that end, management has received letters of support from investors. These letters clearly state investors' willingness and capacity to meet the Group's minimum funding requirements which will allow it to execute its business plan over at least the next 12 months.

As a result of the letters of support received, as well as discussions held directly with investors and the advanced stage of negotiations for further financing, the Board is assured that the Group will receive such funding as is necessary to allow it to continue its operations for the foreseeable future. Additionally, the Board is satisfied that the likelihood of funding not being received when required is remote. As such it has adopted the going concern basis of accounting in preparing these Financial Statements.

Events after the reporting date

These are detailed in the Strategic Report on page 17.

Auditor

The auditor, PKF Francis Clark, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

V B Gokool
Director

4 June 2025



To the members of Cornish Lithium Plc

Opinion

We have audited the financial statements of Cornish Lithium Plc (the "Parent Company") and its subsidiaries (the "Group") for the year ended 31 December 2024, which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies, the Parent Company Statement of Financial Position, the Parent Company Statement of Changes in Equity and the notes to the Parent Company financial statements. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework'.



In our opinion the financial statements:

- Give a true and fair view of the state of the Group and Parent Company's affairs as at 31 December 2024 and of the loss of the Group for the year then ended;
- The Group financial statements have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006;
- The Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Parent Company's ability

to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the Executive Chairman and Chief Executive Officer's Statement, Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- Executive Chairman and Chief Executive Officer's Statement, Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we



have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the Group and Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- The Group and Parent Company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 19, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and or Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiries of management regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements. As part of these enquiries we also discussed with management whether there have been any known instances of fraud, of which there were none.
- Reviewed legal and professional costs to identify any possible non-compliance of legal costs in respect of non-compliance.
- Audited the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.
- Reviewed estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the estimates.

Based on our understanding of the Group and Parent Company and industry, we identified the principal risks of non-compliance with laws and regulations related to acts by the Group and Parent Company which were contrary to applicable laws and regulations, including fraud.

We considered those laws and regulations that have a direct impact on the preparation of the financial statements, including, but not limited to the reporting framework (IFRS, FRS 101 and Companies Act 2006) and the relevant tax compliance regulations in the UK. In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty, including compliance with the Health and Safety at Work etc Act 1974 and

the ongoing monitoring requirements imposed by the UK Environment Agency under the Environment Act 1995. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to fraudulent financial reporting, specifically in relation to over capitalisation of assets, under recording of liabilities or insufficient disclosures in relation to going concern.

Audit procedures performed by the engagement team include, but were not limited to, discussions and inquiries with management of compliance with laws and regulations and review of significant legal costs incurred in the year as well as correspondence with the UK Environment Agency. We also addressed the risk of management override of internal controls, including testing of journals and evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud with a particular reference to the key accounting estimates as set out in the Critical accounting estimates and judgements note.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate omissions, collusion, forgery, misrepresentations, or the override of internal controls. We are also less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Group's and Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Group and Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and Parent Company and the Group and Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Duncan Leslie (Senior Statutory Auditor)

For and on behalf of PKF Francis Clark, Statutory Auditor
4 June 2025

Consolidated statement of comprehensive income for the year ended 31 December 2024

		2024	2023
	Note	£	£
Administrative expenses		(11,512,459)	(8,900,600)
Other operating income	4	155,713	504,724
Loss from operations	5	(11,356,746)	(8,395,876)
Finance expenses	9	(5,591,583)	(795,033)
Finance income	10	503,140	416,137
Loss before taxation		(16,445,189)	(8,774,772)
Taxation	11	205,645	181,711
Total comprehensive loss for the year attributable to owners of the parent		(16,239,544)	(8,593,061)

All amounts relate to continuing operations. No other comprehensive income was earned during the year (2023: £Nil)

The accompanying notes form an integral part of these financial statements.

Consolidated statement of financial position as at 31 December 2024

		2024	2023
	Note	£	£
Non-current assets			
Intangible assets	12	36,128,619	22,133,341
Property, plant and equipment	13	12,413,093	6,978,748
Right of use assets	14	84,547	725,291
Net investment in finance leases	14	434,821	-
		49,061,080	29,837,380
Current assets			
Net investment in finance leases	14	75,065	-
Assets held for sale	15	-	58,800
Other receivables	16	2,574,678	3,510,424
Cash and cash equivalents		13,930,260	6,887,007
		16,580,003	10,456,231
Total assets		65,641,083	40,293,611
Current liabilities			
Lease liabilities - current	14	(122,216)	(139,190)
Trade and other payables	17	(7,431,577)	(4,312,052)
		(7,553,793)	(4,451,242)
Non-current liabilities			
Borrowings	18	(34,946,282)	(8,063,028)
Derivative financial liabilities	19	(14,015,236)	(4,889,587)
Lease liabilities	14	(534,654)	(601,150)
		(49,496,172)	(13,553,765)
Total liabilities		(57,049,965)	(18,005,007)
Net assets		8,591,118	22,288,604
Issued capital and reserves attributable to owners of the parent			
Share capital	21	62,203	62,038
Share premium	21	14,298,793	14,063,703
Share option reserve	24	4,500,080	2,193,277
Retained (deficit)/earnings		(10,269,958)	5,969,586
Total equity		8,591,118	22,288,604

These Financial Statements were approved and authorised for issue by the Board and were signed on its behalf.

V B Gokool

Director

4 June 2025

Registered number: 10205021

The accompanying notes form an integral part of these financial statements.

Consolidated statement of changes in equity for the year ended 31 December 2024

	Note	Share capital	Share premium	Share option reserve	Retained (deficit) / earnings	Total equity
		£	£	£	£	£
At 1 January 2023		59,281	8,995,500	1,189,779	14,562,647	24,807,207
Comprehensive loss for the year						
Loss for the year		-	-	-	(8,593,061)	(8,593,061)
Contributions by and distributions to owners						
Issue of ordinary shares		2,758	5,068,202	-	-	5,070,960
Share-based payment expense	24	-	-	1,003,498	-	1,003,498
At 31 December 2023		62,039	14,063,702	2,193,277	5,969,586	22,288,604
Comprehensive loss for the year						
Loss for the year		-	-	-	(16,239,544)	(16,239,544)
Contributions by and distributions to owners						
Issue of ordinary shares		164	235,091	-	-	235,255
Share-based payment expense	24	-	-	2,306,803	-	2,306,803
At 31 December 2024		62,203	14,298,793	4,500,080	(10,269,958)	8,591,118

Consolidated statement of cash flows

For the year ended 31 December 2024

		2024	2023
	Note	£	£
Cash flows from operating activities			
Loss for the financial year		(16,239,544)	(8,593,061)
Adjustments for:			
Amortisation of intangible assets	12	151,599	152,946
Depreciation of property, plant and equipment	13	176,590	214,065
Amortisation of right of use assets	14	75,385	59,646
Government grants	4	(70,030)	(504,724)
Net finance expenses excluding fair value losses/gains	9,10	4,436,644	461,397
Fair value loss/(gain) on derivative financial assets	20	651,799	(82,501)
Loss/(gain) on disposal of fixed assets		32,861	(12,368)
Loss on disposal of leases		23,861	-
Fair value loss on investment	15	-	246,097
Share based payment expense	24	2,306,803	1,003,498
Increase in income tax receivable	11	(205,645)	(181,711)
Decrease/(increase) in trade and other receivables		683,542	(1,307,036)
(Decrease)/increase in trade and other payables		(899,888)	1,079,787
Corporation tax received		243,017	475,704
Net exchange differences		335,791	2,748
Net cash used in operating activities		(8,297,215)	(6,985,513)
Cash flows from investing activities			
Purchase of intangible assets		(12,975,572)	(7,980,676)
Purchase of plant, property and equipment		(6,694,551)	(7,080,948)
Government grants received		579,091	2,048,620
Proceeds from disposal of fixed assets		5,664	-
Proceeds from disposal of other assets held for sale		11,075	204,237
Proceeds from disposal of investment		-	395,682
Principal received on finance leases		93,193	-
Interest received on finance leases		10,355	-
Other interest received		466,330	205,801
Net cash used in investing activities		(18,504,415)	(12,207,284)
Cash flows from financing activities			
Proceeds from issue of preference shares (net of transaction costs)		33,944,386	9,823,445
Proceeds from issue of convertible loan note		-	3,147,138
Issue of ordinary shares		93,704	5,070,960
Principal paid on lease liabilities		(168,659)	(59,474)
Interest paid on lease liabilities		(18,740)	(6,607)
Interest paid		(5,808)	(1,370)
Net cash generated from financing activities		33,844,883	17,974,092
Net increase/(decrease) in cash and cash equivalents		7,043,253	(1,218,705)
Cash and cash equivalents at beginning of year		6,887,007	8,105,712
Cash and cash equivalents at the end of year		13,930,260	6,887,007

For the year ended 31 December 2024

1. General information

Cornish Lithium Plc (the “Company”) is a public limited company, limited by shares and incorporated in the United Kingdom and is registered in England & Wales. The Company’s ordinary shares are not traded on the stock exchange. The address of the registered office is stated on the Company information page and the nature of the Company’s operations and principal activities are that of research and exploration activities relating to the identification and extraction of technology metals.

2. Accounting policies

2.1. Basis of preparation of financial statements

The Group financial statements have been prepared in accordance with International Accounting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS (except as otherwise stated). The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2024. These accounting policies were consistently applied for all the periods presented.

The Financial Statements are presented in pounds sterling, which is also the Group’s functional currency. Amounts are rounded to the nearest pound, unless otherwise stated.

The preparation of financial statements in compliance with United Kingdom adopted IFRS requires the use of certain critical accounting estimates. It also requires the Group’s management to exercise judgement in applying the Group’s accounting policies. The areas where significant judgements and estimates have been made in preparing the Financial Statements and their effect are disclosed in Note 3.

2.2. Basis of measurement

The Consolidated Financial Statements have been prepared on a historical cost basis, except for certain financial liabilities measured at fair value through profit or loss, details of which can be found in the relevant accounting policy.

2.3. Basis of consolidation

The Group Consolidated Financial Statements consolidate the Financial Statements of Cornish Lithium Plc and the entities it controls (its subsidiaries) for the periods reported.

For the purposes of preparing these Consolidated Financial Statements, subsidiaries are those entities controlled by the Group. The Group (as investor) controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries, which are prepared for the same reporting period, are included in the consolidated financial statements from the date that control commences until the date control ceases. All intra-group balances, income, expenses and unrealised gains and losses resulting from the intra-group transactions are eliminated in full.

2. Accounting policies (continued)

2.3. Basis of consolidation (continued)

The following were subsidiary undertakings of the Group during the periods presented in these financial statements:

Name	Registered office	Class of shares	Holding
Geocubed Limited	United Kingdom	Ordinary	100%
Cornish Lithium G5 Limited	United Kingdom	Ordinary	100%
Cornish Lithium Geothermal Limited	United Kingdom	Ordinary	100%
Cornish Lithium Land Holdings Limited	United Kingdom	Ordinary	100%
Cornish Lithium Hard Rock Limited	United Kingdom	Ordinary	100%
Elevate Minerals Limited	United Kingdom	Ordinary	100%
Ecometals Cornwall Limited	United Kingdom	Ordinary	100%

All shareholdings are held directly.

The registered office of all subsidiary undertakings is Tremough Innovation Centre, Penryn, Cornwall, United Kingdom, TR10 9TA

The principal activity of Geocubed Limited is to develop and install a pilot plant for direct lithium extraction from deep geothermal brines in the UK.

The principal activity of Cornish Lithium G5 Limited is to develop and operate hard rock lithium projects derived from G5 granite in the St Austell region in Cornwall.

The principal activity of Cornish Lithium Geothermal Limited is to develop and operate lithium projects derived from geothermal brines in Cornwall.

The principal activity of Cornish Lithium Land Holdings Limited is to hold farm business tenancy leases in Cornwall.

The principal activity of Cornish Lithium Hard Rock Limited is to act as a holding company for the Group's companies involved in its hard rock projects.

The remaining subsidiary undertakings were dormant as at 31 December 2024. On 4 February 2025, Ecocopper Cornwall Limited was renamed Elevate Minerals Limited.

Subsidiary entity accounts are prepared in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP) using the FRS 101 Reduced Disclosure Framework.

For the period ended 31 December 2024, the following subsidiaries were entitled to the exemption from audit under section 479A of the Companies Act 2006.

Geocubed Limited
Registered Number 12709660

Cornish Lithium Hard Rock Limited
Registered Number 13175770

Cornish Lithium Land Holdings Limited
Registered Number 13175616

2. Accounting policies (continued)

2.4. Adoption of new and revised international

Financial reporting standards

New standards, interpretations and amendments effective from 1 January 2024

The following new standards impacting the Group have been adopted in the annual Financial Statements for the year ended 31 December 2024:

- Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants – Amendments to IAS 1;
- Lease Liability in Sale and Leaseback – Amendments to IFRS 16; and
- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early. These amendments are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2.5. Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses).

2.6. Going concern

The Financial Statements have been prepared on a going concern basis which assumes the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.



The Group is still in the exploration and evaluation stage of its development and is reliant on equity funding to fund its testwork, development plans and operations including capital expenditure required to construct its development Projects. The Group is in the development stage of its life cycle with new, highly innovative and unproven technologies being developed to execute its business plan. There can be no assurance that the scale up of these technologies will be successful in the commercial context of the Group. Further detail on risks, uncertainties and how the Group mitigates them can be found in the Principal Risks and Uncertainties section of the Strategic Report. The adoption of the going concern basis of accounting requires significant judgement by management. The factors and evidence used in making this judgement are outlined below.

It is management's firm view that Cornish Lithium is a uniquely attractive prospect for investors. Cornish Lithium has made strong progress in de-risking its hard rock and geothermal projects. In addition the Trelavour Hard Rock Project has been designated a Nationally Significant Infrastructure Project, whilst it has also been granted planning permission to construct the UK's first direct lithium extraction demonstration plant at Cross Lanes. This progress combined with its extensive mineral rights portfolio which allows it unrivalled access to Cornwall's abundant mineral wealth and the backdrop of increasing global demand for battery-grade lithium, means that management are confident of the business' ability to raise sufficient funds which will allow it to execute its business plan over the short and medium term. The Group has a strong track record of securing financing from new and existing investors, as

2. Accounting policies (continued)

2.5. Going concern (continued)

evidenced by the £53.6m funding agreement signed in 2023 and the successful completion of five rounds of crowdfunding.

The Board, which includes representatives from its institutional investors, has reviewed and challenged the completeness and accuracy of the Group's financial projections for the period to June 2026. This review included the Group's current development plans and expenditures, forecast fixed overheads, commitments and existing cash resources which will be used to fund these expenditures.

In addition, management has modelled various scenarios to reflect the possible timings and outcomes of its current financing process. This exercise included modelling a 'stress-test' scenario which assumed an ongoing delay to the financing process. All of the scenarios modelled require the receipt of further cash funding in order to ensure the Company can meet its obligations for a period of at least 12 months from the date of approval of these Consolidated Financial Statements.

At the date of signing this report, the Group was in the process of negotiating term sheets to secure additional equity funding from existing institutional shareholders (the "investors").

The investors recognise the need for funding to be provided by September 2025 and in a sufficient amount in order for the Company to meet its obligations and continue with the proposed business plan. To that end, management has received letters of support

from investors. These letters clearly state investors' willingness and capacity to meet the Group's minimum funding requirements which will allow it to execute its business plan over at least the next 12 months.

As a result of the letters of support received, as well as discussions held directly with investors and the advanced stage of negotiations for further financing, the Board is assured that the Group will receive such funding as is necessary to allow it to continue its operations for the foreseeable future. Additionally, the Board is satisfied that the likelihood of funding not being received when required is remote. As such it has adopted the going concern basis of accounting in preparing these Financial Statements.

2.7. Share-based payments

Share-based compensation benefits are provided to employees in the form of share options. The Group also issues warrants to investors.

Employee options

The fair value of options granted under the Cornish Lithium Option Plan is recognised as an employee benefits expense, with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted excluding the impact of any service vesting conditions. There are no options in issue that have any market or non-market vesting conditions or any non-vesting conditions.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each



2. Accounting policies (continued)

2.7. Share-based payments (continued)

period, the entity revises its estimates of the number of options that are expected to vest based on the service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Warrants

Where warrants are issued, the fair value of the options at the date of grant is equally charged to the statement of comprehensive income over the vesting period. Charges in relation to warrants which include non-vesting conditions are charged to the statement of comprehensive income only when management deems it probable that the non-vesting conditions will be met. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each statement of financial position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest.

2.8. Intangible assets

Externally acquired intangible assets are initially measured at cost. After initial recognition, intangible assets are recognised at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation

Amortisation is charged over the useful lives of any intangible fixed assets and has been assessed as follows:

Patents and licences	Straight-line basis over 15 years
Computer software	Straight-line basis over 3 years
Exploration and evaluation costs	No amortisation is charged in the exploration and evaluation phase (see note 2.9 for further details)

2.9. Other intangible assets

Exploration and evaluation costs

Exploration expenditure incurred in relation to projects where such expenditure is considered likely to be recoverable through future extraction activity or sale or where the exploration activities have not reached a stage that permits a reasonable assessment of the existence of reserves, are capitalised and recorded on the balance sheet within exploration and evaluation assets for mining projects at the exploration stage. Capitalised evaluation and exploration costs are classified as tangible or intangible assets based on the nature of the expense.

Intangible exploration and evaluation expenditure comprises costs directly attributable to:

- Researching and analysing existing exploration data;
- Conducting geological studies, exploratory drilling and sampling;
- Examining and testing extraction and treatment methods;
- Compiling pre-feasibility and feasibility studies; and
- Costs incurred in acquiring mineral rights, the entry premiums paid to gain access to areas of interest and amounts payable to third parties to acquire interests in existing projects.

Exploration and evaluation assets are subsequently valued at cost less impairment. In circumstances where a project is abandoned, the cumulative capitalised costs related to the project are written off in the period when such decision is made. Intangible exploration and evaluation assets are not depreciated. These assets are transferred to mine development costs within property, plant and equipment when a decision is taken to proceed with the development of the project. This decision is usually taken when a bankable feasibility study is obtained, and project finance is in place.

Mine development costs within property, plant and equipment are depreciated or amortised when commercial production of lithium begins. Tangible exploration and evaluation assets are depreciated when they are deemed to be consumed as part of the exploration and evaluation phase of a project. The depreciation charge on these assets is then capitalised as an intangible exploration and evaluation asset.

The Group has four key exploration agreements for defined areas within Cornwall and continues to negotiate further exploration agreements. The four exploration agreements entered into by the Group grant the Group exclusive licenses to explore for lithium, other minerals and geothermal energy contained within liquid brines and, in addition, in 2022 the Group signed a 30-year mining lease for the extraction of hard rock lithium ore. The exploration licenses are renewable on an annual or 5-yearly basis for no less than 10 additional years and subject to an annual payment which is payable in cash or, in certain circumstances, shares in the capital of the Company. The Group has multiple mineral exclusivity agreements either signed or in negotiation – these range in duration from 2 to 3 years with the intention of conversion to exploration and option deeds if the mineral ownerships are attractive to take forward.

Each exploration license further grants the Group an option to enter into an agreed form 20-30-year mining lease which affords the Group the right to extract and process minerals from the liquid brine (2 of the agreements extend to all minerals) and to utilise geothermal energy from the respective defined land areas once planning permission for the same has

2. Accounting policies (continued)

2.9. Other intangible assets (continued)

been granted. Each lease contains an agreed royalty payment based on gross revenue attributable to sales of the minerals and geothermal energy covered by the respective mining/ mineral extraction lease. Each of the mining leases grant the Group the right to enter the land insofar as the surface is owned by the counter party to the licensing agreement. To the extent that the surface is owned by a third party, the Group would need to negotiate access rights to develop any mining/ mineral extraction project. The Group has exercised its option and has finalised negotiations to draw down a mineral extraction lease at the Cross Lanes site. This is subject to board approval. Further evaluation of mineral prospectivity is ongoing across the mineral rights portfolio.

2.10. Property, plant and equipment

Property, plant and equipment is recognised as an asset only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. An item of property, plant and equipment that qualifies for recognition as an asset is measured at its cost. The cost of an item of property, plant and equipment comprises the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

After recognition, all property, plant and equipment is carried at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided at rates calculated to write down the cost of assets, less estimated residual value, over their expected useful lives on the following basis:

Right of use assets	Over the life of the lease
Plant and machinery	3-5 years straight line
Computer equipment	3 years straight line
Leasehold improvements	Over the life of the lease
Exploration and evaluation assets	3-5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Tangible exploration and evaluation assets are only depreciated when they are consumed as part of the exploration and evaluation phase of a project.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and

are recognised in profit or loss.

2.11. Finance income

Finance income is recognised in the consolidated statement of comprehensive income using the effective interest method. Fair value gains on financial liabilities are recognised as finance income in the period incurred.

2.12. Finance expense

Finance costs are charged to the consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Fair value losses on financial liabilities are recognised as finance expenses in the period incurred.

2.13. Post-employment benefit costs

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

2.14. Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.15. Financial assets

Financial assets within the scope of IFRS 9 are classified as fair value through profit or loss, fair value through other comprehensive income or at amortised cost.

The Group currently holds no financial assets held at fair value through profit or loss, or fair value through other comprehensive income. The Group determines the classifications of its financial assets on initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

Amortised cost

This category of financial asset incorporates financial assets where the objective is to hold the asset in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. Assets in this category include finance lease receivables and other receivables such as refundable deposits paid

2. Accounting policies (continued)

2.15. Financial assets (continued)

to suppliers and cash and cash equivalents. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

As the Group is currently pre-revenue, it does not hold financial assets arising principally from the provision of goods and services to customers (e.g. trade receivables). For other receivables, at each year-end, the Group assesses whether the credit risk on financial assets has increased significantly since initial recognition. If the credit risk on financial assets has not increased significantly since initial recognition, the Group measures the loss allowance for financial assets at an amount equal to the 12-month expected credit losses. If the credit risk on financial assets has increased significantly since initial recognition or for credit impaired financial assets, the Group measures the allowance account for the financial assets at an amount equal to the lifetime expected credit losses.

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and reward are transferred.

2.16. Financial liabilities

Classification of hybrid financial instruments

The Group has issued redeemable convertible preference shares which are classed as financial liabilities. These liabilities represent a hybrid financial instrument consisting of a debt host with several embedded derivatives arising from the conversion option and associated embedded derivatives attached to each agreement.

The element of the agreements that relate to the debt host and any closely related derivatives are initially recognised at fair value less transaction costs and subsequently carried at amortised cost.

The embedded derivatives that are not deemed to be closely related to the debt host have been separated out from the host contract. These elements are initially recognised at fair value and subsequently measured at fair value through profit or loss (FVTPL).

Financial liabilities carried at amortised cost

These financial liabilities include borrowings, trade and other payables and finance lease liabilities. Financial liabilities are initially recognised at fair value adjusted for any directly attributable transaction costs.

After initial recognition, financial liabilities are measured at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs. Discounting is omitted where the effect of discounting is immaterial.

A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

Financial liabilities carried at FVTPL

These financial liabilities comprise of derivatives relating to the conversion option and associated embedded derivatives on convertible redeemable preference shares. Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period. None of the derivative contracts entered into by the Group are designated as hedging instruments. As such, any changes in the fair value of the derivative instruments is recognised immediately in profit or loss. Gains are included in finance income, losses are included in finance expense.

2.17. Fair value measurement of financial instruments

Certain financial assets and liabilities included in the Group's Consolidated Financial Statements require measurement at fair value.

The fair value measurement of the Group's financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

- Level 1: Quoted prices in active markets for identical items (unadjusted)
- Level 2: Observable direct or indirect inputs other than Level 1 inputs
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item.

Transfers of items between levels are recognised in the period they occur.

The fair value of the Group's financial assets is determined using Level 2 inputs, whilst the fair value of financial liabilities is determined using principally level 3 inputs.

2. Accounting policies (continued)

2.18. Leases

As lessee:

The Group accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

- (a) There is an identified asset;
- (b) The Group obtains substantially all the economic benefits from use of the asset; and
- (c) The Group has the right to direct use of the asset.

The Group considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease.

In determining whether the Group obtains substantially all the economic benefits from use of the asset, the Group considers only the economic benefits that arise from the use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Group has the right to direct use of the asset, the Group considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Group considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Group applies other applicable IFRSs rather than IFRS 16.

Land and property leases directly related to exploration and evaluation activities are accounted for under IFRS 6, whereby rental costs are capitalised as intangible exploration and evaluation assets.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease. The Group does not hold any leases in which this rate can not be readily determined.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease, and
- Initial direct costs incurred.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease

payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease.

Leases held by the Group which are within the scope of IFRS 16 relate to vehicles with typical lease terms of between 2 and 4 years and property with lease terms of 7 years. These leases comprise only fixed payments over the lease terms.

The Group does not make any provisions in respect of property dilapidations on the basis that its lease agreements do not contain clauses that create a material obligation to meet the costs of repairing property dilapidations or the costs of restoring the properties to their initial condition.

As lessor:

Leases in which the Group is the lessor are classified as either operating or finance leases. Leases where a significant portion of the risks and rewards of ownership are retained by the Group are classified as operating leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee.

Rent receivable is recognised over the lease term based on a pattern that reflects a constant periodic rate of return on the net investment in the lease. Where an incentive (such as a rent-free period) is given to a tenant, the carrying value of the net investment in the finance lease excludes any amount reported as a separate asset as a result of recognising rental income on this basis.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. Low-value leases are considered to be all leases where the individual value of the underlying assets is below £5,000, or where the lease is equal to or shorter than one year.

2.19. Taxation

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the statement of financial position date.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the statement of

2. Accounting policies (continued)

2.19. Taxation (continued)

financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and
- In respect of taxable temporary difference associated with investments in subsidiaries, associates and interest in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each statement of financial position date and are recognised to the extent that it

has become probable that the future taxable profit will allow the deferred tax asset to be recovered.

2.20. Grants

The amounts represented in other operating income relate to grants provided by external parties in order to assist with the funding of the Group. Government grants are recognised when there is reasonable assurance that the entity will comply with the conditions related to them and that the grants will be received.

Grants related to income are recognised in the Consolidated Statement of Comprehensive Income on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate. They are either offset against the related expense or presented as income, either separately or under a general heading such as 'other income'. The timing of such recognition in the consolidated statement of comprehensive income will also depend on the fulfilment of any conditions or obligations attaching to the grant.

Government grants received in relation to capitalised exploration and evaluation assets are netted off against the carrying value of the exploration and evaluation asset.

Government grants that are due to be received after the year end and where the conditions have been met are recognised as accrued income in other receivables.

During the current and prior year the Group received grant funding from government-backed institutions in relation to various projects. The primary aim of these grants was to accelerate the development of the Group's lithium extraction processes.

3. Critical accounting estimates and judgements

The preparation of the Group's financial statements requires management to make estimates and judgements that affect the reported amount of assets and liabilities at the statement of financial position date, amounts reported for expenses during the year, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these judgements and estimates could create a significant risk of material adjustments to the carrying amounts of assets and liabilities within the next financial period. In the process of applying the Group's accounting policies, management has made the following judgements and estimates, which have the most significant effect on the amounts recognised in the financial statements:

3. Critical accounting estimates and judgements (continued)

Judgements:

Recoverability of exploration and evaluation assets

Exploration and evaluation assets include mineral rights and exploration costs, including geophysical, topographical, geological, drilling and geological modelling and similar types of costs. Exploration and evaluation costs are capitalised if management concludes that future economic benefits are likely to be realised and determines that economically viable extraction operation can be established as a result of exploration activities and internal assessment of mineral resources.

IFRS 6: Exploration for and evaluation of mineral resources, outlines the potential indicators of impairment to include: management's plans to discontinue the exploration activities, lack of further substantial exploration expenditure planned, expiry of exploration licenses in the period or in the nearest future, or existence of other data indicating the expenditure capitalised is not recoverable. At the end of each reporting period, management assesses whether such indicators exist for the exploration and evaluation assets capitalised, which requires significant judgement. Management concluded that as at 31 December 2024, there were no indicators of impairment (2023: None).

Costs capitalised to exploration and evaluation assets

Judgement is applied in the determination of the type of costs that are capitalised to exploration and evaluation assets as described in the accounting policy note 2.9 and 2.10. Payroll costs that are directly attributable to exploration and evaluation related activities are capitalised.

At 31 December 2024, £33.8m (2023: £20.3m) of costs have been capitalised as an intangible exploration and evaluation asset and £10.9m (2023: £6.7m) of costs have been capitalised as a tangible exploration and evaluation asset. Management has budgeted the costs for further development of these assets however their recoverability is dependent on future funding.

Accounting policy choice regarding convertible redeemable preference shares

As described in note 2.16, management has made an accounting policy choice to bifurcate the embedded derivatives from the debt host of the convertible redeemable preference shares, which has been classified as a financial liability. The debt host is carried at amortised cost less transaction costs, whilst the embedded derivatives are carried at FVTPL.

This choice required management judgement as IFRS 9: Financial Instruments also permits the entire contract

(i.e. debt host and embedded derivatives) to be carried at FVPTL, with transaction costs being included in profit or loss.

Had management opted to carry the entire instrument at FVTPL, this would have resulted in additional non-current liabilities and losses during the year ended 31 December 2024 of £7,024,065 (2023: £7,156,859).

Going concern

The directors exercise judgement when concluding on going concern as the basis of preparation of the financial statements.

For further details see note 2.6.

Estimates:

Share-based payments

Estimating the fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield. These inputs are based on management estimates at the date of grant.

For the measurement of the fair value of equity settled transactions with employees and contractors at the grant date, the Group uses the Black Scholes model. The weighted average fair value per share of share options granted during the year was £0.200 (2023: £0.151).

Key inputs to share option value and sensitivities are outlined in Note 24.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

Fair value of derivative financial liabilities

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses an independent third party to value these instruments using appropriate valuation models and techniques. The assumptions used in the valuations are provided by the Group's management and are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions see note 20.

4. Other operating income

	2024	2023
	£	£
Other operating income	85,683	-
Income from government grants	70,030	504,724
	155,713	504,724

5. Loss from operations

Included in the operating loss for the period are the following:

	2024	2023
	£	£
Employee remuneration	2,833,460	3,186,520
Directors' remuneration	1,192,900	1,039,004
Share-based payment expense	2,306,803	1,003,498
Legal, consulting and other professional fees	894,348	1,283,701
IT costs	587,444	491,358
Net foreign exchange loss/(gain)	452,909	(22,261)
Depreciation of property, plant and equipment	176,590	214,065
Amortisation of intangible assets	151,599	152,946
Depreciation of right of use assets	75,385	59,645
Loss on disposal of fixed assets	32,861	-
Fair value loss on held for sale investment	-	246,097
Other costs	2,808,160	1,246,027
	11,512,459	8,900,600

6. Employees

	2024	2023
	£	£
Wages and salaries	6,307,061	5,340,404
Social security costs	684,372	627,473
Cost of defined contribution scheme	546,128	343,127
	7,537,561	6,311,004

The average number of employees, including directors, during the year was 99 (2023: 68).

Of the total employee costs incurred during the year £3,511,201 was capitalised as intangible exploration and evaluation assets (2023: £2,085,480).

7. Directors' remuneration

	2024	2023
	£	£
Directors' emoluments	1,139,617	990,396
Group contributions to defined contribution pension schemes	53,283	48,608
	1,192,900	1,039,004

The directors are considered to be key management personnel.

The total amount payable to the highest paid director in respect of emoluments was £576,617 (2023: £439,143). During the year ended 31 December 2024, the highest paid director held 1.486 million exercisable share options (2023: 1 million).

The group made contributions to money purchase pension schemes on behalf of 2 directors during the year (2023: 2). The value of the group's contributions paid to money purchase pension schemes in respect of the highest paid director amounted to £27,000 (2023: £25,300).

There were 2 directors entitled to receive shares under long term incentive schemes (2023: 2).

8. Auditor's remuneration

Fees payable to the Group's auditor for the audit of the Group's annual Consolidated Financial Statements and subsidiaries totalled £66,000 (2023: £55,000).

9. Finance expense

	2024	2023
	£	£
Interest payable on convertible preference shares	4,374,203	636,903
Interest on lease liabilities	68,805	24,710
Interest on convertible loan note	-	67,208
Other interest payable	5,807	66,212
Net exchange loss on foreign currency borrowings	490,969	-
Fair value loss on financial liabilities designated at fair value through profit or loss	651,799	-
	5,591,583	795,033

10. Finance income

	2024	2023
	£	£
Bank interest	466,330	205,802
Interest on lease receivables	36,810	-
Net exchange gain on foreign currency borrowings	-	127,834
Fair value gain on financial liabilities designated at fair value through profit or loss	-	82,501
	503,140	416,137

11. Taxation

a). Tax on loss on ordinary activities

	2024	2023
	£	£
Current tax:		
UK corporation tax credit on the loss for the year	(294,361)	(399,733)
Adjustment in respect of prior periods	88,716	218,022
Total current tax	(205,645)	(181,711)
Deferred tax:		
Origination and reversal of timing differences	-	-
Total tax (credit) for the year	(205,645)	(181,711)

b). Factors effecting tax credit for the year

The tax assessed for the year is lower than (2023 - lower than) the standard rate of corporation tax in the UK of 25% (2023 - 25%). The differences are explained below:

	2024	2023
	£	£
Loss on ordinary activities before tax	(16,445,189)	(8,774,772)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2023 - 25%)	(4,111,297)	(2,193,693)
Effects of:		
Expenses not deductible for tax purposes	2,008,083	417,835
Capital allowances for year in arrears/(excess) of depreciation	(230,083)	(200,113)
Utilisation of current year tax losses	(115,066)	-
Unrelieved tax losses carried forward	2,009,623	1,527,813
Brought forward losses utilised in the year	(20,150)	-
SME enhanced R&D relief	163,149	49,668
Expenses deductible when paid	1,380	-
Adjustments in respect of prior periods	88,716	218,022
Adjustments in respect of disposal of investment	-	(1,243)
Total tax benefit for the year	(205,645)	(181,711)

c). Deferred tax

In 2024, there were unrecognised deferred tax assets totalling £5,158,503 (2023: £3,378,865) arising in relation to carried forward losses and fixed asset timing differences.

12. Intangible assets

	Patents and licences	Exploration and evaluation costs	Computer software	Total
	£	£	£	£
Cost				
At 1 January 2023	2,269,939	11,455,039	13,904	13,738,882
Additions	-	8,874,691	-	8,874,691
At 31 December 2023	2,269,939	20,329,730	13,904	22,613,573
Additions	-	14,117,870	29,007	14,146,877
At 31 December 2024	2,269,939	34,447,600	42,911	36,760,450
Amortisation				
At 1 January 2023	315,269	-	12,017	327,286
Charge for the year	151,329	-	1,617	152,946
At 31 December 2023	466,598	-	13,634	480,232
Charge for the year	151,329	-	270	151,599
At 31 December 2024	617,927	-	13,904	631,831
Net book value				
At 31 December 2024	1,652,012	34,447,600	29,007	36,128,619
At 31 December 2023	1,803,341	20,329,730	270	22,133,341

Patents and licences comprises a collaboration agreement between the Group and Lepidico Ltd whereby the Group have a licence to use technology owned by Lepidico Ltd to extract minerals.

Management reviewed whether indicators of impairment of intangible assets were in existence as at the year end date and concluded that none were present (2023: none).

13. Property, plant and equipment

	Plant and machinery	Computer equipment	Leasehold improvements	Exploration and evaluation assets	Total
	£	£	£	£	£
Cost					
At 1 January 2023	62,156	396,792	-	1,955,208	2,414,156
Additions	28,000	77,651	59,851	4,878,484	5,043,986
At 31 December 2023	90,156	474,443	59,851	6,833,692	7,458,142
Additions	59,364	167,815	507,674	5,608,289	6,343,142
Disposals	-	(20,727)	-	-	(20,727)
At 31 December 2024	149,520	621,531	567,525	12,441,981	13,780,557
Depreciation					
At 1 January 2023	39,117	226,212	-	-	265,329
Charge for the year	12,910	102,663	-	98,492	214,065
At 31 December 2023	52,027	328,875	-	98,492	479,394
Charge for the year	20,807	127,576	28,207	730,585	907,175
Disposals	-	(19,105)	-	-	(19,105)
At 31 December 2024	72,834	437,346	28,207	829,077	1,367,464
Net book value					
At 31 December 2024	76,686	184,185	539,318	11,612,904	12,413,093
At 31 December 2023	38,129	145,568	59,851	6,735,200	6,978,748

During the year ended 31 December 2024, depreciation of £730,585 was capitalised as intangible exploration and evaluation assets (2023: £98,492).

14. Leases

The Group leases agricultural land in Cornwall as well as motor vehicles for use in its day-to-day operations. These leases comprise only fixed payments over the lease term.

Right of use assets

	Motor vehicles	Property	Total
	£	£	£
At 1 January 2023	21,828	-	21,828
Additions	37,352	725,757	763,109
Amortisation charge in the year	(28,785)	(30,861)	(59,646)
31 December 2023	30,395	694,896	725,291
Additions	35,127	-	35,127
Amortisation charge in the year	(37,279)	(38,106)	(75,385)
Derecognised and reclass as net investment in finance lease	-	(620,250)	(620,250)
Reclassification differences	-	19,764	19,764
31 December 2024	28,243	56,304	84,547

During the year ended 31 December 2024, the Group agreed to sublet a proportion of its leased agricultural land and property on a 6-year term. At the date of transfer, the right of use asset was derecognised and reclassified as a net investment in a lease. The Group's liability in relation to this lease remains on the balance sheet.



14. Leases (continued)

Lease liabilities

	Motor vehicles	Property	Total
	£	£	£
At 1 January 2023	17,778	-	17,778
Additions	38,177	725,757	763,934
Interest expense	3,125	21,585	24,710
Lease payments	(35,389)	(30,693)	(66,082)
31 December 2023	23,691	716,649	740,340
Additions	35,126	-	35,126
Interest expense	2,087	66,717	68,804
Lease payments	(38,860)	(148,540)	(187,400)
31 December 2024	22,044	634,826	656,870

Split between:

Non-current	5,779	528,875	534,654
Current	16,265	105,951	122,216

The maturity analysis of amounts payable under finance leases is provided below:

As at 31 December 2024

	Up to 12 months	Between 1 and 3 years	Between 3 and 6 years	Total
Lease payments	181,361	436,361	230,425	848,147
Interest	(59,144)	(115,820)	(16,313)	(191,277)
	122,217	320,541	214,112	656,870

As at 31 December 2023

	Up to 12 months	Between 1 and 3 years	Between 3 and 7 years	Total
Lease payments	190,973	432,916	373,813	997,702
Interest	(67,407)	(145,225)	(44,730)	(257,362)
	123,566	287,691	329,083	740,340

14. Leases (continued)

The total cash outflow during 2024 in relation to finance leases accounted for under IFRS 16 was £187,398 (2023: £66,081). The cash outflow during the year in relation to short term and low value leases was £72,335 (2023: £49,277).

Net investment in finance leases

Net investment in finance leases relates to agricultural land and property that the Group has sublet to a new tenant. The leases are classified as finance leases as it has been leased for the remainder of the contractual terms as defined in the head lease. Where land and property is subleased during the period, the right-of-use asset is derecognised and a net investment in finance lease is recognised. The value of the net investment is the equivalent of the right-of-use asset at the point the lease is assigned, adjusted for any lease incentives offered to the new tenant. The liability remains unchanged. A reconciliation of sublet land and property is as follows:

	Property £
At 1 January 2023 and 31 December 2023	-
Additions	620,250
Disposals	(43,626)
Interest income	36,810
Lease receipts	(103,548)
31 December 2024	509,886

Split between:

Non-current	434,821
Current	75,065

The maturity analysis of amounts receivable from finance leases is provided below:

	As at 31 December 2024			
	Up to 12 months	Between 1 and 3 years	Between 3 and 6 years	Total
Lease receipts	122,697	357,533	186,637	666,867
Interest	(47,632)	(94,326)	(15,023)	(156,981)
	75,065	263,207	171,614	509,886

15. Assets held for sale

Assets held for sale comprises the following:

	2024	2023
	£	£
Property, plant and equipment held for sale	-	58,800

The movements in assets held for sale are summarised in the table below:

	Financial asset	Property, plant & equipment	Total
	£	£	£
At 1 January 2023	677,583	-	677,583
Additions	-	250,669	250,669
Disposals	(246,097)	-	(246,097)
Fair value movements	(35,804)	-	(35,804)
Foreign exchange movements	(395,682)	(191,869)	(587,551)
At 31 December 2023	-	58,800	58,800
Disposals	-	(1,800)	(1,800)
Transfers	-	(57,000)	(57,000)
31 December 2024	-	-	-

During the year ended 31 December 2024

Assets with a carrying value of £57,000 were transferred to property, plant and equipment.

During the year ended 31 December 2023

On 9 May 2023 the Group completed the disposal of its shareholding in Lepidico Limited for a total consideration of £395,682. Prior to disposal, the Group recognised a fair value loss of £246,097 which was included in administrative expenses in the Statement of Comprehensive Income.

16. Other receivables

	2024	2023
	£	£
Current receivables		
Other receivables	1,270,159	2,012,422
Prepayments and accrued income	1,010,158	1,098,269
Tax receivable	294,361	399,733
	2,574,678	3,510,424

Other receivables include VAT receivable of £1,020,413 (2023: £1,620,164), £162,615 (2023: £162,615) receivable from former holders of nil-paid shares, £nil (2023: £178,873) of receivables due from the sale of fixed assets, and £87,131 (2023: £50,770) of miscellaneous receivables including returnable supplier deposits. Management considers all amounts receivable to be fully recoverable.

17. Trade and other payables

	2024	2023
	£	£
Current payables		
Trade payables	1,635,747	1,338,972
Accruals	649,372	1,996,120
Accrued preference share dividends	4,350,562	463,998
Other payables	93,860	46,636
Total financial liabilities, excluding borrowings, classified as financial liabilities measured at amortised cost	6,729,541	3,845,726
Other payables - tax and social security payments	702,036	398,326
Corporation tax	-	68,000
Trade and other payables	7,431,577	4,312,052

The carrying value of trade and other payables classified as financial liabilities measured at amortised cost approximates fair value.

18. Borrowings

The Group borrowings consist of convertible redeemable preference shares denominated in USD, issued in stages as part of a \$68.5m total funding agreement. The Group issued 4 classes (A-D) of convertible redeemable preference shares which it issues in stages as funds are required.

On 14 September 2023 the Group issued 76,369,804 preference shares amounting to \$19,129,000. On 20 February 2024 the Group issued 80,764,442 preference shares amounting to \$20,499,950 and on 1 November 2024 the Group issued 88,709,992 preference shares amounting to \$22,806,090. The preference shares are convertible into ordinary shares in the parent company at a price of £0.20 per ordinary share which is based on the market price per share at the date of issue of the preference shares.

The shares are convertible and redeemable at any point from 1 January 2024 until the successful commissioning of a mining operation or a change in control of the Group. After this point the preference shares automatically convert into ordinary shares. The number of ordinary shares issued is therefore dependent on the GBP/USD exchange rate on the date of conversion. Preference shares A and C are entitled to dividends at a rate of 5% + SOFR. Preference shares B and D are entitled to dividends at a rate of 5% + SONIA. The dividend rate of all classes of preference shares are subject to a floor of 8.5% and a cap of 12%. On the anniversary of the issue of the preference shares the Group can opt to pay accrued dividends in kind (PIK) rather than in cash at an additional rate of 2% on the non-PIK rate.

The convertible preference shares are recognised as liabilities because they were issued in a currency other than the functional currency of the Group and allow the holder a contractual right to receive a variable number of the parent company's shares. The financial liability has been split between the debt component and the combined fair value of the conversion option and associated embedded derivatives. These amounts are presented in the statement of financial position as follows:

	2024	2023
	£	£
Face value of preference shares issued	36,404,776	10,107,480
Transaction costs	(2,217,357)	(2,217,357)
Amortisation of transaction costs recognised as a finance cost	758,863	172,905
Carrying value of redeemable convertible preference shares	34,946,282	8,063,028
Other derivative financial liabilities - value of conversion option and other embedded derivatives of the above (see note 19)	14,015,236	4,889,587
Total balance sheet liability relating to convertible preference shares	48,961,518	12,952,615

The initial fair value of the debt portion of the instrument was determined by an independent third party to be equal to the transaction price on the basis that the agreements were made on an arm's length basis.

The difference between the carrying value and the fair value of the debt portion of the redeemable preference shares is summarised below:

18. Borrowings (continued)

	2024		2023	
	Carrying amount	Fair value	Carrying amount	Fair value
	£	£	£	£
Redeemable convertible preference shares:				
Debt portion - gross of transaction costs	36,404,776	42,960,316	10,107,480	15,484,117

On 26 June 2023 the Group issued US\$7,000,000 10% fixed rate unsecured convertible loan notes at a price of \$1 per note. The notes were convertible into ordinary shares at a price of £0.20 per ordinary share. This convertible loan note, together with any accumulated interest was cancelled on 14 September 2023, with the outstanding balance converted into Class C convertible redeemable preference shares.

19. Derivative financial liabilities

Derivative financial liabilities consist of the conversion option and associated embedded derivatives relating to the convertible redeemable preference shares (see note 18). These financial liabilities are designated at fair value through profit or loss at initial recognition (see note 20). In contrast, the loan element of the agreement is measured at amortised cost and is therefore presented separately to the derivatives.

On 14 September 2023 the Group issued warrants in conjunction with the issue of redeemable convertible preference shares (see note 24 for further details). These have been deemed to be separate instruments to the preference shares that do not impact the value of the debt host, conversion option or associated embedded derivatives. The warrants act as an anti-dilution feature in which their exercise depends on down round financing. As such they would have an undefined vesting period which is defined by a future equity financing and hence, the valuation for these would be entirely based on management assumptions which cannot be modelled. Therefore, no value has been assigned to these warrants.

The Group holds no derivative financial assets or liabilities designated as hedging instruments.

The embedded derivatives relating to the convertible redeemable preference shares are presented as a single item on the basis that it is impracticable to assign a separate value to each component.

	2024	2023
	£	£
Derivative financial liability measured at fair value through profit or loss:		
Conversion option and associated embedded derivatives of redeemable convertible preference shares	14,015,236	4,889,587

20. Fair value

The Group holds derivative financial liabilities that are recognised and measured at fair value in the financial statements (see note 19).

The significant inputs that feed into the fair value calculation are not based on observable market data, as they relate to unlisted equity securities. These financial liabilities are therefore classed as Level 3 on the fair value hierarchy.

20. Fair value (continued)

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the period ended 31 December 2024.

	Preference share conversion option and associated embedded derivatives	£
At 1 January 2023		-
Additions		5,016,551
Fair value gain recognised in finance income in the statement of comprehensive income		(82,501)
Foreign exchange differences		(44,463)
At 31 December 2023		4,889,587
Additions		8,512,693
Fair value loss recognised in finance income in the statement of comprehensive income		651,799
Foreign exchange differences		(38,843)
At 31 December 2024		14,015,236

The fair value gains and losses above do not include material amounts arising as a result of changes in the Group's own credit risk. The Group determines the amount of fair value changes which are attributable to credit risk by first determining the changes due to market conditions which give rise to market risk, and then deducting those changes from the total change in fair value of the conversion option and associated embedded derivatives. Market conditions which give rise to market risk include changes in equity volatility and changes in the benchmark interest rate.

The Group believes that this approach most faithfully represents the amount of change in fair value due to the Company's own credit risk, as the changes in factors contributing to the fair value of the conversion option and associated embedded derivatives other than changes in volatility and the benchmark interest rate are not deemed to be significant.

	2024	2023
	£	£
Carrying amount consisting of:		
Borrowings - carried at amortised cost	34,946,282	8,063,028
Conversion option and associated embedded derivatives - carried at FVTPL	14,015,236	4,889,587
	48,961,518	12,952,615
Amount the Group is contractually obligated to pay to holders of the convertible preference shares should they be redeemed prior to automatic conversion into ordinary shares	49,892,471	15,124,031
Difference between carrying amount and the amount the Group is contractually obligated to pay to holders of the convertible preference shares should they be redeemed prior to automatic conversion into ordinary shares	930,953	2,171,416

20. Fair value (continued)

All fair value gains relate to unrealised amounts recognised in profit or loss attributable to balances held at the end of the reporting period. There were no transfers between levels in the fair value hierarchy during either period.

Valuation inputs and relationships to fair value

The most significant unobservable input used in the calculation of fair value of the preference share conversion option and associated embedded derivatives was equity volatility, since the Group's shares are not publicly traded. Equity volatility was therefore derived by analysing the equity volatility of comparable companies. The selection of comparable companies was based on various factors including financial conditions, operating performance and industry presence. Specifically, a focus was placed on companies within the mining industry that operated in lithium exploration and production and were publicly traded in the Western Europe region. From this, an average 3.5-year rolling volatility of 71.29% (2023: five-year rolling volatility of 99.2%) was derived and utilised in the fair value calculation.

A movement of +/- 10% in equity volatility would result in a fair value increase/decrease of £4,521,038 (2023: £1,520,040).

Other inputs to the calculation of fair value included the expected date of conversion of the preference shares into ordinary shares, the risk-free rate and the valuation date.

Valuation processes

The Group uses an appropriately qualified and resourced independent third party to perform the valuation of the conversion option and associated embedded derivatives. The third party used an appropriate option pricing model to derive the fair value of the instrument. A report is provided to the Group's finance team which is discussed with the chief financial officer, the audit committee and the independent valuer on an annual basis, in line with the Group's reports.

21. Share capital and share premium

	2024	2023
	£	£
Allotted, called up and fully paid		
622,025,325 (2023 - 620,384,718 of £0.0001) Ordinary Shares of £0.0001 each.	62,202	62,038
1 A share of £1 each	1	1
	62,203	62,039

21. Share capital and share premium (continued)

The movement in ordinary share capital and share premium during the year can be summarised as follows:

	Shares	Par value	Strike price	Share capital	Share premium
	No.	£	£	£	£
At 1 January 2023	592,803,561	0.0001	0.66677	59,281	8,995,500
Issue of ordinary shares - 18 January 2023	822,504	0.0001	0.20000	82	164,419
Issue of ordinary shares - 31 August 2023	75,000	0.0001	0.20000	8	14,993
Issue of ordinary shares - 14 September 2023	1,814,560	0.0001	0.00010	181	-
Issue of ordinary shares - 20 October 2023	24,397,557	0.0001	0.20000	2,440	4,854,939
Exercise of employee share options	134,036	0.0001	0.13500	13	18,081
Exercise of employee share options	337,500	0.0001	0.04683	34	15,771
At 31 December 2023	620,384,718	0.0001		62,039	14,063,703
Issue of ordinary shares - 18 January 2024	395,250	0.0001	0.20000	40	79,010
Issue of ordinary shares - 29 February 2024	187,500	0.0001	0.20000	19	37,481
Issue of ordinary shares - 31 August 2024	125,000	0.0001	0.20000	12	24,988
Exercise of employee share options	125,000	0.0001	0.03360	12	4,188
Exercise of employee share options	500,000	0.0001	0.13500	50	67,450
Exercise of employee share options	150,000	0.0001	0.03360	15	5,025
Exercise of employee share options	15,000	0.0001	0.13500	2	2,023
Exercise of employee share options	42,857	0.0001	0.03360	4	1,435
Exercise of employee share options	100,000	0.0001	0.13500	9	13,490
At 31 December 2024	622,025,325	0.0001		62,202	14,298,793

The following rights are attached to the A share:

The A Ordinary Share is entitled to 10% of any distribution of profits. On a return of capital on a sale, liquidation, capital reduction or otherwise the A Ordinary share is entitled to 10% of the surplus assets of the Company remaining after payment of its liabilities.

The A Ordinary Shares do not entitle the holders thereof to receive copies of any written resolutions, receive notices of any general meetings, nor vote on any such resolution or at any such meeting. The Company shall, however, supply to the holders of A Ordinary Shares all information and documents necessary to allow proper consideration to be given over a reasonable period of time to any proposed transaction or matter upon which A Ordinary Shareholder Consent, as defined in the Company's articles of association, is sought. The holders of the Ordinary Shares have one vote in respect of each Ordinary Share held.

22. Reserves

Share premium account

The share premium account includes the premium on issue of equity shares, net of any issue costs.

Share options reserve

The share options reserve is used to recognise the value of equity settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

Retained earnings

Retained earnings represents cumulative profits and losses, net of dividends paid and other adjustments.

23. Financial instruments - risk management

The Group is exposed through its operations to the following financial risks:

Market risks:

- Foreign exchange risk
- Equity risk
- Cash flow interest rate risk

Other risks:

- Credit risk
- Liquidity risk

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Borrowings
- Derivative financial liabilities
- Cash and cash equivalents
- Trade and other payables

23. Financial instruments - risk management (continued)

Financial instruments by category

Financial assets

	Amortised cost	Amortised cost
	2024	2023
Group	£	£
<i>Non-current assets as per the Statement of Financial Position</i>		
Net investment in finance leases – receivable in more than 1 year	434,821	-
<i>Current assets as per the Statement of Financial Position</i>		
Net investment in finance leases - receivable within 1 year	75,065	-
Other receivables excluding prepayments	1,270,159	2,412,155
Cash and cash equivalents	13,930,260	6,887,007
Total financial assets	15,710,305	9,299,162



23. Financial instruments - risk management (continued)

Financial liabilities	As at 31 December			
	Fair value through profit or loss	Amortised cost	Fair value through profit or loss	Amortised cost
	2024	2024	2023	2023
	£	£	£	£
<i>Non-current liabilities as per the Statement of Financial Position</i>				
Redeemable preference shares	-	34,946,282	-	8,063,028
Derivative financial liabilities	14,015,236	-	4,889,587	-
Lease liabilities - payable in more than 1 year	-	534,907	-	601,150
Non-current liabilities as per the Statement of Financial Position	14,015,236	35,481,189	4,889,587	8,664,178
<i>Current liabilities as per the Statement of Financial Position</i>				
Trade and other payables - payable within 1 year	-	6,729,541	-	3,845,726
Lease liabilities - payable within 1 year	-	121,963	-	139,190
Current liabilities as per the Statement of Financial Position	-	6,851,504	-	3,984,916
Total financial liabilities	14,015,236	42,332,693	4,889,587	12,649,094

Financial instruments not measured at fair value

Financial instruments not measured at fair value includes net investment in finance leases, cash and cash equivalents, other receivables, trade and other payables, and lease liabilities.

Due to their short-term nature, the carrying value of cash and cash equivalents, other receivables and trade and other payables approximates to their fair value.

23. Financial instruments - risk management (continued)

Financial instruments measured at fair value

During the year ended 31 December 2024

Financial instruments measured at fair value include derivative financial liabilities. The Group recognised £651,799 of losses in relation to fair value movements in the derivative financial liability (2023: gains of £82,501) as a finance expense (2023: income) in the Statement of Comprehensive Income.

During the year ended 31 December 2023

In addition to the above, the Group recognised a fair value loss of £246,097 on held for sale financial assets which were disposed of in that year.

There were no transfers between levels during the year.

There were no changes to the valuation techniques during the year.

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to management.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's risk, development plans, competitiveness and flexibility. Further details regarding these policies are set out below:

Market risks

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market factors. These factors include:

Foreign currency risk

The Group is exposed to foreign exchange risk, primarily the US dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the parent company and its subsidiaries.

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in GBP, was as follows:

	31 December 2024				31 December 2023		
	USD	EUR	AUD	CAD	USD	EUR	AUD
	£	£	£	£	£	£	£
Cash and cash equivalents	2,934,993		30,529	-	899,084	-	-
Borrowings - convertible preference shares	36,404,776	-	-	-	10,107,480	-	-
Derivative financial liabilities	14,015,236	-	-	-	4,889,587	-	-
Accrued dividends payable on convertible preference shares	4,350,562	-	-	-	463,998	-	-
Trade payables	1,138	1,080	69,360	36,956	185,875	3,824	-

23. Financial instruments - risk management (continued)

Foreign currency risk (continued)

The aggregate net foreign exchange gains recognised in administrative expenses in the statement of comprehensive income were £780,221 (2023: £22,260).

Management mitigates foreign currency risk by holding cash balances in both GBP and USD with AAA rated or investment-grade financial institutions. It is management's view that the convertible preference shares are highly unlikely to be redeemed prior to conversion, meaning that any foreign exchange gains or losses remain unrealised.

A 5% increase or decrease in the USD/GBP exchange rate would result in additional unrealised gains/(losses) of £2,199,834/(£2,431,395) being recognised in profit or loss (2023: £618,111/(£683,175)).

Equity risk

The Group is reliant on funding itself through the issuance of its common equity and preference shares. The market value of this equity is based on, amongst several other factors, the price of lithium, macro-economic factors, inflation, the progress of the electric vehicle uptake, supply and demand for lithium, mineral extraction industry sentiment and environmental and social concerns which the Group has no control over.

The convertible preference shares are denominated in USD, meaning that the total number of ordinary shares to be issued on conversion will depend on the USD/GBP exchange rate at the date of conversion.

Cash flow interest rate risk

The Group's main interest rate risk arises from the dividends payable on the convertible redeemable preference shares, which are classified as financial liabilities. Dividends are based on a floating rate based on either SONIA or SOFR, subject to floor of 8.5% and a cap of 12%.

To mitigate this risk, the Group is contractually allowed to elect to settle the dividend by issuing additional convertible preference shares rather than by paying cash, subject to an additional 2% dividend being applied.

A 2% increase or decrease in SONIA or SOFR would increase/(decrease) finance costs by £478,632/(£311,581) (2023: increase/(decrease) finance costs by £322,061/(346,851)).

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's maximum exposure to credit risk is equivalent to the carrying value of its financial assets as at 31 December 2024 and 31 December 2023.

A credit-related impairment is recognised if and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

As at 31 December 2024 and 31 December 2023 the Group had no receivables past due.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions.

For banks and financial institutions, only independently rated parties with minimum rating "A" are accepted.

23. Financial instruments - risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages liquidity risk by ensuring that it has adequate cash resources and financing arrangements in place. This is achieved by close monitoring of cash positions and monthly cash flow forecasting. The Group's requirement for further funding as at the date of signing this report and the methods management has employed to monitor and forecast cash flows are detailed further in note 2.6.

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

As at 31 December 2024				
	Up to 12 months	Between 1 and 3 years	Between 3 and 6 years	Total
Trade and other payables	7,431,577	-	-	7,431,577
Lease liabilities	122,216	320,542	214,112	656,870
	7,553,793	320,542	214,112	8,088,447

As at 31 December 2023				
	Up to 12 months	Between 1 and 3 years	Between 3 and 7 years	Total
Trade and other payables	4,312,052	-	-	4,312,052
Lease liabilities	123,567	287,692	329,081	740,340
	4,435,619	287,692	329,081	5,052,392

Contractual cash flows in relation the convertible redeemable preference shares have been excluded from the above on the basis that the Group can elect to settle dividends through the issuance of new convertible preference shares, rather than in cash.

Capital management

The Group's objective when managing capital is to safeguard the entity's ability to continue as a going concern while pursuing exploration and developments.

The Group sets the amount of capital it requires in proportion to risk. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

24. Share-based payments

Share option scheme

Cornish Lithium Plc operates equity settled share-based remuneration schemes for its employees. There are no market or non-market based, performance related vesting conditions.

Some of the options have vested immediately while others vest over a vesting period of three or four years. The right to exercise options expires ten years after the grant date. The weighted average remaining contractual life of outstanding options as at 31 December 2024 was 7.3 years (2023: 8.6 years).

	Weighted average exercise price (pence)	Number	Weighted average exercise price (pence)	Number
	2024	2024	2023	2023
Outstanding at the beginning of the year	0.11358	42,918,164	0.09119	30,732,200
Granted during the year	0.00010	12,176,195	0.14480	14,310,000
Exercised during the year	0.10045	(932,857)	0.07190	(471,536)
Lapsed during the year	0.11509	(867,864)	0.04840	(1,652,500)
Outstanding at the end of the year	0.09149	53,293,638	0.11358	42,918,164
Exercisable at the end of the year	0.08892	26,375,533	0.10460	16,663,164

Exercisable options remain exercisable until the employees cease working with the Company, or 10 years from option grant, whichever is shorter.

The Company is unable to directly measure the fair value of employee services remunerated via share option schemes and so has used the Black-Scholes option pricing model to determine the fair value of the instruments awarded. The options were granted on 1 January 2024. The key assumption used in the valuation of the options granted during the year is the annualised volatility which has been taken as 99.2% (2023: 50%), and the interest rate applied is based off of a ten-year government gilt from the date of grant of 3.68% (2023: 4.571%).

The exercise price of options granted during the year was determined with reference to prices paid by external investors in recent funding rounds. The weighted average fair value per share of share options granted during the year was £0.200 (2023: £0.151).

Share-based payment charge for the year

The amount included in the Consolidated Statement of Comprehensive Income as an administrative expense in respect of share-based payments arising from employee share options is as follows:

	2024	2023
	£	£
Equity settled schemes charge for the year	2,306,803	1,003,498

24. Share-based payments (continued)

Warrants

No warrants were issued by the Group during the year ended 31 December 2024.

On 14 September 2023 the Group issued new warrants to investors in conjunction with the issue of redeemable convertible preference shares (see notes 18 and 19). Warrant holders are able to subscribe for a maximum of 81.4 million ordinary shares which are only exercisable in the event of a dilution in the value of their investment (a "down round"). The warrants will expire on conversion or redemption of the preference shares. In addition, on the same day, the Group issued further warrants to the same investors to subscribe for 51.6m ordinary shares at nominal value in the event of a second tranche of funding worth \$210m being agreed.

Further to the Company's announcement on the 25 November 2021 whereby it had entered a transaction with TechMet for an £18,000,000 funding package and the Company's announcement dated 24 June 2022 which confirms the exercise of TechMet's second tranche, the Company has issued warrants to TechMet granting them the right but not the obligation to subscribe for 13,500,000 ordinary shares at nominal value upon the sooner of the Company becoming listed on a stock exchange or the procurement of financing that permits the construction of any project. The warrants will expire unexercised within 3 years if neither condition occurs.

There was no charge included in either period in the Consolidated Statement of Comprehensive Income in relation to warrants in issue.

25. Related party transactions

Key management personnel include all directors and senior management across the Group who together have authority and responsibility for planning, directing and controlling the activities of the Group. The total compensation paid to key management personnel for services provided to the Group (inclusive of employer national insurance contributions) was £1,885,871 (2023: £1,544,770).

A total of 6 million share options were awarded to 3 key management personnel, 2 of whom were directors during 2024 (2023: 3.95 million share options were awarded to 3 key management personnel, 2 of whom were directors during 2023). The options have an exercise price of £0.0001 per share (2023: £0.0001 per share) and vest over a 3-year period (2023: 3-year period) from the date of grant.

26. Commitments

As at 31 December, the Group had the following commitments under non-cancellable operating leases that are outside the scope of IFRS 16. The costs associated with these leases are capitalised as intangible exploration and evaluation assets as permitted by IFRS 6.

	2024	2023
Within 12 months	350,000	350,000
1-2 years	300,000	350,000
2-5 years	791,667	891,667
5-10 years	1,000,000	1,000,000
11-20 years	2,000,000	2,000,000
20+ years	1,566,667	1,766,667
	6,008,334	6,358,334

The Group had also made capital expenditure commitments to purchase exploration and evaluation assets with a total value of £1,735,587 (2023: £626,316). These items have not been recognised as liabilities as at the Statement of Financial Position date.

27. Events after the reporting period

As announced in May 2025, the parent company, Cornish Lithium Plc, acquired the patents and intellectual property rights associated with the Lepidico processing technology. The consideration was wholly settled in cash and is not material to the Group. Prior to the acquisition the Group held a licence to use this technology, which was recognised as an intangible asset with a net book value as at 31 December 2024 of £1.7m.

Statement of financial position

for the year ended 31 December 2024

	Note	2024 £	2023 £
Non-current assets			
Investments	3	1,997	1,997
Intangible assets	4	19,276,950	14,226,367
Property, plant and equipment	5	4,391,293	3,603,453
Right of use assets	6	28,243	30,395
		23,698,483	17,862,212
Current assets			
Other receivables	7	17,598,732	12,337,411
Cash and cash equivalents		13,452,652	6,446,698
		31,051,384	18,784,109
Total assets		54,749,867	36,646,321
Current liabilities			
Lease liabilities - current	6	(16,265)	(20,954)
Trade and other payables	8	(6,163,143)	(2,661,536)
		(6,179,408)	(2,682,490)
Non-current liabilities			
Borrowings	9	(34,946,282)	(8,063,028)
Derivative financial liabilities	10	(14,015,236)	(4,889,587)
Lease liabilities	6	(5,779)	(2,737)
Total liabilities		(55,146,705)	(15,637,843)
Net (liabilities)/assets		(396,838)	21,008,477
Issued capital and reserves attributable to owners of the parent			
Share capital		62,203	62,039
Share premium		14,298,794	14,063,702
Share option reserve		4,500,080	2,193,277
Retained (deficit)/earnings		(19,257,915)	4,689,459
Total equity		(396,838)	21,008,477



Statement of financial position for the year ended 31 December 2024 (continued)

As permitted by section 408 of Companies Act 2006, a separate statement of comprehensive income for the Company has not been included in these financial statements. The Company's total comprehensive loss for the year ended 31 December 2024 was £23,947,374 (2023: total comprehensive loss of £9,283,591).

The accompanying notes form an integral part of these Company financial statements.

The financial statements were approved by the Board of Directors, authorised for issue on 4 June 2025 and were signed on its behalf by:

V B Gokool

Director

Registered number: 10205021

Statement of changes in equity

for the year ended 31 December 2024

	Share capital £	Share premium £	Share option reserve £	Retained earnings / (deficit) £	Total equity £
At 1 January 2023	59,281	8,995,500	1,189,779	13,973,050	24,217,610
Comprehensive loss for the year					
Loss for the year	-	-	-	(9,283,591)	(9,283,591)
Contributions by and distributions to owners					
Issue of ordinary and bonus shares	2,758	5,068,202	-	-	5,070,960
Share-based payment expense	-	-	1,003,498	-	1,003,498
At 31 December 2023	62,039	14,063,702	2,193,277	4,689,459	21,008,477
Comprehensive loss for the year					
Loss for the year	-	-	-	(23,947,374)	(23,947,374)
Contributions by and distributions to owners					
Issue of ordinary and bonus shares	164	235,092	-	-	235,256
Share-based payment expense	-	-	2,306,803	-	2,306,803
At 31 December 2024	62,203	14,298,794	4,500,080	(19,257,915)	(396,838)

For the year ended 31 December 2024

1. Accounting policies

1.1. Basis of preparation

The annual financial statements of Cornish Lithium Plc (the Parent Company financial statements) have been prepared in accordance with Financial Reporting Standard 100 'Application of Financial Reporting Requirements' ("FRS 100") and Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101").

The financial statements have been prepared on a historical cost basis, except for the following items certain financial assets measured at fair value through profit or loss, details of which can be found in the relevant accounting policy.

All amounts are presented in pounds sterling, which is also the Company's functional currency. Amounts are rounded to the nearest pound, unless otherwise stated.

1.2. Disclosure exemptions adopted

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore, these financial statements do not include:

- Certain comparative information as otherwise required by UK endorsed IFRS;
- Certain disclosures regarding the Company's capital;
- A statement of cash flows;
- The effect of future accounting standards not yet adopted;
- The disclosure of the remuneration of key management personnel, and
- Disclosure of related party transactions with the Company's wholly owned subsidiaries.

In addition, and in accordance with FRS 101, further disclosure exemptions have been adopted because equivalent disclosures are included in the Company's Consolidated Financial Statements. These financial statements do not include certain disclosures in respect of:

- Financial instruments (other than certain disclosures required as a result of recording financial instruments at fair value), and

- Fair value measurement (other than certain disclosures required as a result of recording financial instruments at fair value).

There were no other material amendments to the disclosure requirements previously applied in accordance with UK endorsed IFRS. The principal accounting policies adopted in the preparation of the financial statements as set out below have been consistently applied to all periods presented.

1.3. Going concern

The Financial Statements have been prepared on a going concern basis which assumes the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The Company and its subsidiaries (the "Group") are still in the exploration and evaluation stage of its development and is reliant on equity funding to fund its testwork, development plans and operations including capital expenditure required to construct its development Projects. The Group is in the development stage of its life cycle with new, highly innovative and unproven technologies being developed to execute its business plan. There can be no assurance that the scale up of these technologies will be successful in the commercial context of the Group. Further detail on risks, uncertainties and how the Group mitigates them can be found in the Principal Risks and Uncertainties section of the Strategic Report. The adoption of the going concern basis of accounting requires significant judgement by management. The factors and evidence used in making this judgement are outlined below.

It is management's firm view that Cornish Lithium is a uniquely attractive prospect for investors. Cornish Lithium has made strong progress in de-risking its hard rock and geothermal projects. In addition the Trelavour Hard Rock Project has been designated a Nationally Significant Infrastructure Project, whilst it has also been granted planning permission to construct the UK's first direct lithium extraction demonstration plant at Cross Lanes. This progress combined with its extensive mineral rights portfolio which allows it unrivalled access to Cornwall's abundant mineral wealth and the backdrop of increasing global demand for battery-grade lithium, means that management are confident of the business' ability to raise sufficient funds which will allow it to execute its business plan over the short and

1. Accounting policies (continued)

1.3. Going Concern (continued)

medium term. The Group has a strong track record of securing financing from new and existing investors, as evidenced by the £53.6m funding agreement signed in 2023 and the successful completion of five rounds of crowdfunding.

The Board, which includes representatives from its institutional investors, has reviewed and challenged the completeness and accuracy of the Group's financial projections for the period to June 2026. This review included the Group's current development plans and expenditures, forecast fixed overheads, commitments and existing cash resources which will be used to fund these expenditures.

In addition, management has modelled various scenarios to reflect the possible timings and outcomes of its current financing process. This exercise included modelling a 'stress-test' scenario which assumed an ongoing delay to the financing process. All of the scenarios modelled require the receipt of further cash funding in order to ensure the Company can meet its obligations for a period of at least 12 months from the date of approval of these Consolidated Financial Statements.

At the date of signing this report, the Group was in the process of negotiating term sheets to secure additional equity funding from existing institutional shareholders (the "investors").

The investors recognise the need for funding to be provided by September 2025 and in a sufficient amount

in order for the Company to meet its obligations and continue with the proposed business plan. To that end, management has received letters of support from investors. These letters clearly state investors' willingness and capacity to meet the Group's minimum funding requirements which will allow it to execute its business plan over at least the next 12 months.

As a result of the letters of support received, as well as discussions held directly with investors and the advanced stage of negotiations for further financing, the Board is assured that the Group will receive such funding as is necessary to allow it to continue its operations for the foreseeable future. Additionally, the Board is satisfied that the likelihood of funding not being received when required is remote. As such it has adopted the going concern basis of accounting in preparing these Financial Statements.

1.4. Intangible assets

Externally acquired intangible assets are initially measured at cost. After initial recognition, intangible assets are recognised at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation

Amortisation is charged over the useful lives of any intangible fixed assets and has been assessed as follows:

Patents and licences Straight-line basis over 15 years

Computer software Straight-line basis over 3 years

Exploration and evaluation costs No amortisation is charged in the exploration phase

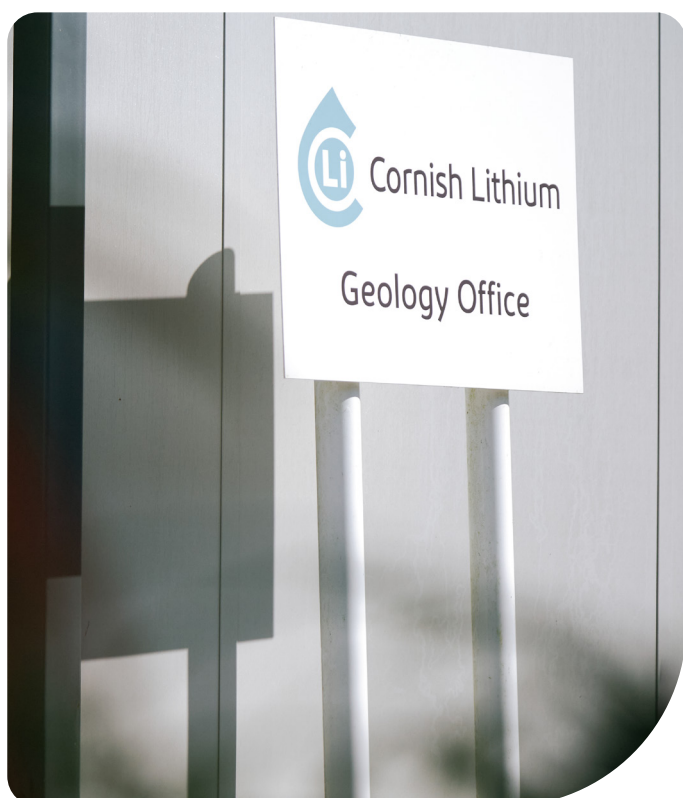
1.5. Other intangible assets

Exploration and evaluation costs

Exploration expenditure incurred in relation to projects where such expenditure is considered likely to be recoverable through future extraction activity or sale or where the exploration activities have not reached a stage that permits a reasonable assessment of the existence of reserves, are capitalised and recorded on the balance sheet within exploration and evaluation assets for mining projects at the exploration stage. Capitalised evaluation and exploration costs are classified as tangible or intangible assets based on the nature of the expense.

Intangible exploration and evaluation expenditure comprises costs directly attributable to:

- Researching and analysing existing exploration data;



1. Accounting policies (continued)

1.5. Other intangible assets (continued)

- Conducting geological studies, exploratory drilling and sampling;
- Examining and testing extraction and treatment methods;
- Compiling pre-feasibility and feasibility studies; and
- Costs incurred in acquiring mineral rights, the entry premiums paid to gain access to areas of interest and amounts payable to third parties to acquire interests in existing projects.

Exploration and evaluation assets are subsequently valued at cost less impairment. In circumstances where a project is abandoned, the cumulative capitalised costs related to the project are written off in the period when such decision is made. Exploration and evaluation assets are not depreciated. These assets are transferred to mine development costs within property, plant and equipment when a decision is taken to proceed with the development of the project. This decision is usually taken when a bankable feasibility study is obtained, and project finance is in place.

Mine development costs within property, plant and equipment are depreciated or amortised when commercial production of lithium begins. Tangible exploration and evaluation assets are depreciated when they are deemed to be consumed as part of the exploration and evaluation phase of a project. The depreciation charge on these assets is then capitalised as an intangible exploration and evaluation asset.

The Company has four key exploration agreements for defined areas within Cornwall and continues to negotiate further exploration agreements. The four exploration agreements entered into by the Company grant the Company exclusive licenses to explore for lithium, other minerals and geothermal energy contained within liquid brines and, in addition, in 2022 the Company signed a 30-year mining lease for the extraction of hard rock lithium ore. The exploration licenses are renewable on an annual or 5-yearly basis for no less than 10 additional years and subject to an annual payment which is payable in cash or, in certain circumstances, shares in the capital of the Company. The Company has multiple mineral exclusivity agreements either signed or in negotiation – these range in duration from 2 to 3 years with the intention of conversion to exploration and option deeds if the mineral ownerships are attractive to take forward.

Each exploration license further grants the Company an option to enter into an agreed form 20-30-year mining lease which affords the Company the right to extract and process minerals from the liquid brine (2 of the agreements extend to all minerals) and to utilise geothermal energy from the respective defined land areas once planning permission for the same has been granted. Each lease contains an agreed royalty

payment based on gross revenue attributable to sales of the minerals and geothermal energy covered by the respective mining/ mineral extraction lease. Each of the mining leases grant the Company the right to enter the land insofar as the surface is owned by the counter party to the licensing agreement. To the extent that the surface is owned by a third party, the Company would need to negotiate access rights to develop any mining/ mineral extraction project. The Company has exercised its option and has finalised negotiations to draw down a mineral extraction lease at the Cross Lanes site. This is subject to board approval. Further evaluation of mineral prospectivity is ongoing across the mineral rights portfolio.

1.6. Property, plant and equipment

Property, plant and equipment is recognised as an asset only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. An item of property, plant and equipment that qualifies for recognition as an asset is measured at its cost. The cost of an item of property, plant and equipment comprises the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

After recognition, all property, plant and equipment is carried at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided at rates calculated to write down the cost of assets, less estimated residual value, over their expected useful lives on the following basis:

Right of use assets	Over the life of the lease
Plant and machinery	3-5 years straight line
Computer equipment	3 years straight line
Exploration and evaluation assets	Not depreciated

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Tangible exploration and evaluation assets are only depreciated when they are consumed as part of the exploration and evaluation phase of a project.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

1. Accounting policies (continued)

1.7. Financial assets

Financial assets within the scope of IFRS 9 are classified as fair value through profit or loss, fair value through other comprehensive income or at amortised cost.

The Company currently holds no financial assets held at fair value through profit or loss or through other comprehensive income. The Company determines the classifications of its financial assets on initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

Amortised cost

This category of financial asset incorporates financial assets where the objective is to hold the asset in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest.

Assets in this category include other receivables such as refundable deposits paid to suppliers, amounts owed by subsidiary undertakings and cash and cash equivalents. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

As the Company is currently pre-revenue, it does not hold financial assets arising principally from the provision of goods and services to customers (e.g. trade receivables).

For other receivables, at each year-end, the Company assesses whether the credit risk on financial assets has increased significantly since initial recognition. If the credit risk on financial assets has not increased significantly since initial recognition, the Company measures the loss allowance for financial assets at an amount equal to the 12-month expected credit losses. If the credit risk on financial assets has increased significantly since initial recognition or for credit impaired financial assets, the Company measures the allowance account for the financial assets at an amount equal to the lifetime expected credit losses.

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

1.8. Financial liabilities

Classification of hybrid financial instruments

The Company has issued redeemable convertible preference shares which are classed as financial liabilities. These liabilities represent a hybrid financial instrument consisting of a debt host together with a

conversion option and associated embedded derivatives attached to each agreement.

The element of the agreements that relate to the debt host and any closely related derivatives are initially recognised at fair value less transaction costs and subsequently carried at amortised cost.

The conversion option and associated embedded derivatives that are not deemed to be closely related to the debt host have been separated out from the host contract. These elements are initially recognised at fair value and subsequently measured at fair value through profit or loss (FVTPL).

Financial liabilities carried at amortised cost

These financial liabilities include borrowings, trade and other payables and finance lease liabilities. Financial liabilities are initially recognised at fair value adjusted for any directly attributable transaction costs.

After initial recognition, financial liabilities are measured at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs. Discounting is omitted where the effect of discounting is immaterial.

A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

Financial liabilities carried at FVTPL

These financial liabilities comprise of derivatives relating to the conversion option and associated embedded derivatives on convertible redeemable preference shares. Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period. None of the derivative contracts entered into by the Company are designated as hedging instruments. As such, any changes in the fair value of the derivative instruments is recognised immediately in profit or loss. Gains are included in finance income, losses are included in finance expense.

1.9. Leases

The Company accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

- (a) There is an identified asset;
- (b) The Company obtains substantially all the economic benefits from use of the asset; and
- (c) The Company has the right to direct use of the asset.

1. Accounting policies (continued)

1.9. Leases (continued)

The Company considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease.

In determining whether the Company obtains substantially all the economic benefits from use of the asset, the Company considers only the economic benefits that arise from the use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Company has the right to direct use of the asset, the Company considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Company considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Company applies other applicable IFRSs rather than IFRS 16.

Land and property leases directly related to exploration and evaluation activities are accounted for under IFRS 6, whereby rental costs are capitalised as intangible exploration and evaluation assets.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease. The Company does not hold any leases in which this rate can not be readily determined.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease, and
- Initial direct costs incurred.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease.

Leases held by the Company which are within the scope of IFRS 16 all relate to vehicles with typical lease terms of between 2 and 4 years. These leases comprise only fixed payments over the lease terms.



Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. Low value-leases are considered to be all leases where the individual value of the underlying assets is below £5,000, or where the lease is equal to or shorter than one year.

1.10. Taxation

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the statement of financial position date.

Current income tax relating to items recognised directly in equity or other comprehensive income is recognised in equity and not in the statement of comprehensive income.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

1. Accounting policies (continued)

1.10. Taxation (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and
- In respect of taxable temporary difference associated with investments in subsidiaries, associates and interest in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each statement of financial position date and are recognised to the extent that it has become probable that the future taxable profit will allow the deferred tax asset to be recovered.

1.11. Grants

The amounts represented in other operating income relate to grants provided by external parties in order to assist with the funding of the Company. Government grants are recognised when there is reasonable assurance that the entity will comply with the conditions related to them and that the grants will be received.

Grants related to income are recognised in the statement of comprehensive income on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate. They are either offset against the related expense or presented as income, either separately or under a general heading such as 'other income'. The timing of such recognition in the statement of comprehensive income will also depend on the fulfilment of any conditions or obligations attaching to the grant.

Government grants received in relation to capitalised exploration and evaluation assets are netted off against the carrying value of the exploration and evaluation asset.

Government grants that are due to be received after the year end and where the conditions have been met are recognised as accrued income in other receivables.

2. Critical accounting estimates and judgements

The Company makes certain estimates and judgements regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Judgements:

Recoverability of exploration and evaluation assets

Exploration and evaluation assets include mineral rights and exploration costs, including geophysical, topographical, geological, drilling and geological modelling and similar types of costs. Exploration and evaluation costs are capitalised if management concludes that future economic benefits are likely to be realised and determines that economically viable extraction operation can be established as a result of exploration activities and internal assessment of mineral resources.

2. Critical accounting estimates and judgements (continued)

IFRS 6: Exploration for and evaluation of mineral resources, outlines the potential indicators of impairment to include: management's plans to discontinue the exploration activities, lack of further substantial exploration expenditure planned, expiry of exploration licenses in the period or in the nearest future, or existence of other data indicating the expenditure capitalised is not recoverable. At the end of each reporting period, management assesses whether such indicators exist for the exploration and evaluation assets capitalised, which requires significant judgement.

Costs capitalised to exploration and evaluation assets

Judgement is applied in the determination of the type of costs that are capitalised to exploration and evaluation assets as described in the accounting policy note above. Payroll costs that are directly attributable to exploration and evaluation related activities are capitalised.

At 31 December 2024, £17.6m (2023: £12.4m) of costs have been capitalised as an intangible exploration and evaluation asset and £4.2m (2023: £3.5m) of costs have been capitalised as a tangible exploration and evaluation asset. Management has budgeted the costs for further development of these assets however their recoverability is dependent on future funding.

Accounting policy choice regarding convertible redeemable preference shares

As described in note 1.8, management has made an accounting policy choice to bifurcate the embedded derivatives from the debt host of the convertible redeemable preference shares, which has been classified as a financial liability. The debt host is carried at amortised cost less transaction costs, whilst the embedded derivatives are carried at FVTPL.

This choice required management judgement as IFRS 9: Financial Instruments also permits the entire contract (i.e. debt host and embedded derivatives) to be carried at FVPTL, with transaction costs being included in profit or loss.

Had management opted to carry the entire instrument at FVTPL, this would have resulted in additional non-current liabilities and losses during the year ended 31 December 2024 of £7,024,065 (2023: £7,156,859).

Going concern

The directors exercise judgement when concluding on going concern as the basis of preparation of the financial statements.

For further details see note 1.3.

Estimates:

Share-based payments

Estimating the fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield. These inputs are based on management estimates at the date of grant.

For the measurement of the fair value of equity settled transactions with employees and contractors at the grant date, the Company uses the Black Scholes model. The weighted average fair value per share of share options granted during the year was £0.200 (2023: £0.151).

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

Fair value of derivative financial liabilities

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses an independent third party to value these instruments using appropriate valuation models and techniques. The assumptions used in the valuations are provided by the Company's management and are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions see note 20 to the Consolidated Financial Statements.

Recoverability of amounts receivable from other Group companies

When assessing the recoverability of amounts receivable from other Group companies management estimates when payments are likely to be received based on the business plan of the counterparty. The expected credit losses recognised reflect the time value of money lost whilst awaiting repayment. In most instances management estimates repayments to commence in 2028, with full repayment by the end of 2030.

3. Investments

Investments in subsidiary companies

	£
At 1 January 2023	11,997
Disposals	(10,000)
At 1 January 2024	1,997
Disposals	-
At 1 January 2024 and 31 December 2024	1,997

On 31 January 2023 the Company transferred its investment in Cornish Lithium G5 Limited to Cornish Lithium Hard Rock Limited, a subsidiary undertaking for a consideration of £10,000, which equated to book value.

The following were direct subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Geocubed Limited	United Kingdom	Ordinary	100%
Cornish Lithium Geothermal Limited	United Kingdom	Ordinary	100%
Cornish Lithium Land Holdings Limited	United Kingdom	Ordinary	100%
Cornish Lithium Hard Rock Limited	United Kingdom	Ordinary	100%
Elevate Minerals Limited	United Kingdom	Ordinary	100%
Ecometals Cornwall Limited	United Kingdom	Ordinary	100%

The following were indirect subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Cornish Lithium G5 Limited	United Kingdom	Ordinary	100%

The registered office of all direct and indirect subsidiary undertakings is Tremough Innovation Centre, Penryn, Cornwall, United Kingdom.

The principal activity of Cornish Lithium Geothermal Limited is to develop and operate lithium projects derived from geothermal brines in Cornwall.

The registered office of all subsidiary undertakings is Tremough Innovation Centre, Penryn, Cornwall, United Kingdom.

The principal activity of Cornish Lithium Land Holdings Limited is to hold farm business tenancy leases in Cornwall.

The principal activity of Geocubed Limited is to develop and install a pilot plant for direct lithium extraction from deep geothermal brines in the UK.

The principal activity of Cornish Lithium Hard Rock Limited is to act as a holding company for the Group's companies involved in its hard rock projects

The principal activity of Cornish Lithium G5 Limited is to develop and operate hard rock lithium projects derived from G5 granite in the St Austell region in Cornwall.

The remaining subsidiary undertakings were dormant as at 31 December 2024. On 4 February 2025, Ecocopper Cornwall Limited was renamed Elevate Minerals Limited.

4. Intangible assets

	Patents and licences	Exploration and evaluation costs	Computer software	Total
	£	£	£	£
Cost				
At 1 January 2024	2,269,939	12,422,756	13,904	14,706,599
Additions	-	5,173,175	29,007	5,202,182
At 31 December 2024	2,269,939	17,595,931	42,911	19,908,781
Amortisation				
At 1 January 2024	466,598	-	13,634	480,232
Charge for the year	151,329	-	270	151,599
At 31 December 2024	617,927	-	13,904	631,831
Net book value				
At 31 December 2024	1,652,012	17,595,931	29,007	19,276,950

Patents and licences comprises a collaboration agreement between the Group and Lepidico Ltd whereby the Group have a licence to use technology owned by Lepidico Ltd to extract minerals.

Management reviewed whether indicators of impairment of intangible assets were in existence as at the year end date and concluded that none were present (2023: none).

5. Property, plant and equipment

	Plant and machinery	Computer equipment	Exploration and evaluation assets	Total
	£	£	£	£
Cost				
At 1 January 2024	62,156	474,443	3,509,153	4,045,751
Additions	27,730	167,815	813,364	1,008,909
Disposals	-	(20,726)	-	(20,726)
At 31 December 2024	89,886	621,532	4,322,517	5,033,935
Depreciation				
At 1 January 2024	52,027	328,875	61,396	442,298
Charge for the year	12,155	127,576	79,718	219,449
Disposals	-	(19,105)	-	(19,105)
At 31 December 2024	64,182	437,346	141,114	642,642
Net book value				
At 31 December 2024	25,704	184,186	4,181,403	4,391,293

During the year ended 31 December 2024, depreciation of £79,718 was capitalised as intangible exploration and evaluation assets (2023: £61,396). £139,731 was expensed to the Statement of Comprehensive Income.

6. Leases

The Company leases motor vehicles for use in its day-to-day operations. These leases comprise only fixed payments over the lease term.

Right of use assets

	Motor vehicles
	£
At 1 January 2023	21,828
Additions	37,352
Amortisation charge in the year	(28,785)
At 31 December 2023	30,395
Additions	35,127
Amortisation charge in the year	(37,279)
At 31 December 2024	28,243

Lease liabilities

	Motor vehicles
	£
At 1 January 2023	17,778
Additions	38,177
Interest expense	3,125
Lease payments	(35,391)
At 31 December 2023	23,691
Additions	35,126
Interest expense	2,087
Lease payments	(38,860)
At 31 December 2024	22,044

Split between:

Non-current liabilities	5,779
Current liabilities	16,265

7. Other receivables

	2024	2023
	£	£
Current receivables		
Amounts owed by group undertakings	15,634,493	9,883,866
Other receivables	970,371	1,227,629
Prepayments and accrued income	699,507	826,183
Tax receivable	294,361	399,733
	17,598,732	12,337,411

Amounts owed by Group undertakings relate to interest bearing loans payable. The effective annual rate applicable to these loans was 6.25% (2023: 5%). All amounts are repayable on demand. During the year ended 31 December 2024, the Company reviewed the outstanding loans due and has booked expected credit losses of £8,228,264 (2023: £1,266,701) in relation the amounts due. These have been included as an administrative expense in the statement of comprehensive income. In addition, the Company issued a deed of waiver over all interest payable by group undertakings for the year ended 31 December 2024.

Other receivables include of VAT receivable of £722,724 (2023: £874,923), £nil (2023: £178,873) of receivables due from the sale of fixed assets, and £162,615 (2023: £162,615) receivable from former holders of nil-paid shares and £85,032 (2023: £11,216) in relation to returnable deposits.

8. Trade and other payables

	2024	2023
	£	£
Current:		
Trade payables	798,007	593,070
Accruals	218,679	1,091,505
Accrued preference share dividends	4,350,562	463,998
Other payables	93,859	46,637
Other tax and social security payments	702,036	398,326
Corporation tax	-	68,000
	6,163,143	2,661,536

9. Borrowings

The Company borrowings consist of convertible redeemable preference shares denominated in USD, issued in stages as part of a \$68.5m total funding agreement. The Company issued 4 classes (A-D) of convertible redeemable preference shares which it issues in stages as funds are required.

On 14 September 2023 the Company issued 76,369,804 preference shares amounting to \$19,129,000. On 20 February 2024 the Company issued 80,764,442 preference shares amounting to \$20,499,950 and on 1 November 2024 the Company issued 88,709,992 preference shares amounting to \$22,806,090. The preference shares are convertible into ordinary shares in the parent company at a price of £0.20 per ordinary share which is based on the market price per share at the date of issue of the preference shares.

The shares are convertible and redeemable at any point from 1 January 2024 until the successful commissioning of a mining operation or a change in control of the Company. After this point the preference shares automatically convert into ordinary shares. The number of ordinary shares to be issued is therefore dependent on the GBP/USD exchange rate on the date of conversion. Preference shares A and C are entitled to dividends at a rate of

9. Borrowings (continued)

5% + SOFR. Preference shares B and D are entitled to dividends at a rate of 5% + SONIA. The dividend rate of all classes of preference shares are subject to a floor of 8.5% and a cap of 12%. On the anniversary of the issue of the preference shares the Company can opt to pay accrued dividends in kind (PIK) rather than in cash at an additional rate of 2% on the non-PIK rate.

The convertible preference shares are recognised as liabilities because they were issued in a currency other than the functional currency of the Company and allow the holder a contractual right to receive a variable number of the Company's shares. The financial liability has been split between the debt component and the value of the conversion option and associated embedded derivatives. These amounts are presented in the statement of financial position as follows:

	2024	2023
	£	£
Face value of preference shares issued	36,404,776	10,107,480
Transaction costs	(2,217,357)	(2,217,357)
Amortisation of transaction costs recognised as a finance cost	758,863	172,906
Carrying value of redeemable convertible preference shares	34,946,282	8,063,028
Other derivative financial liabilities - value of conversion option and associated embedded derivatives of the above (see note 11)	14,015,236	4,889,587
Total balance sheet liability relating to convertible preference shares	48,961,518	12,952,615

The initial fair value of the liability portion of the instrument was determined by an independent third party to be equal to the transaction price on the basis that the agreements were made on an arm's length basis.

10. Derivative financial liabilities

Derivative financial liabilities consist of embedded derivatives relating to the conversion option and associated embedded derivatives of the convertible redeemable preference shares (see note 9). These financial liabilities are designated at fair value through profit or loss at initial recognition (see note 20 to the Consolidated Financial Statements). In contrast, the loan element of the agreement is measured at amortised cost and is therefore presented separately to the derivatives. The Group holds no derivative financial assets or liabilities designated as hedging instruments.

	2024	2023
	£	£
Derivative financial liability measured at fair value through profit or loss:		
Conversion option and associated embedded derivatives of redeemable convertible preference shares	14,015,236	4,889,587

11. Commitments

The Company had also made capital expenditure commitments to purchase assets with a total value of £27,733 (2023: £585,006). These items have not been recognised as liabilities as at the Statement of Financial Position date.

12. Events after the reporting period

As announced in May 2025, the Company, acquired the patents and intellectual property rights associated with the Lepidico processing technology. The consideration was wholly settled in cash and is not material to the Company. Prior to the acquisition the Company held a licence to use this technology, which was recognised as an intangible asset with a net book value as at 31 December 2024 of £1.7m.



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